

## SENATE.

TUESDAY, June 2, 1914.

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, by Thy own grace Thou hast bestowed upon us the measureless gifts of life. Thou hast never tired in expressing Thy care for Thy creatures. Day by day Thou dost shower upon us the unmerited blessings of Thy grace. We pray that in order that we may enjoy and use the blessings that come from the Divine hand we may gain possession of our own powers, will, conscience, and thought, and that these being brought into the realms of freedom by being brought into accord with Thy will may be the means of our enjoyment and of the using of Thy gifts. Lead us this day in all the service that we can perform for our Government, and may Thy blessing abide with Thy servants in the Senate. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

## PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented petitions from sundry citizens of Slatington, Eagleville, Mount Chestnut, Beaver Falls, Prospect, and Claysville, in the State of Pennsylvania; of Elgin, Oreg.; of Stafford, Kans.; of Baltimore, Md.; and of Oakland, Cal., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

Mr. GRONNA presented petitions of sundry citizens of Walcott, Dwight, and Galchutt, all in the State of North Dakota, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. STERLING presented memorials of sundry citizens of South Dakota, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Bratsberg, Ludlow, Ralph, and Haley, all in the State of South Dakota, praying for the enactment of legislation to allow homesteaders to file on 640 acres for stock-raising purposes, which was referred to the Committee on Public Lands.

Mr. PERKINS presented a memorial of sundry citizens of Oakland, Cal., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

He also presented a petition of the Ministerial Union of Los Angeles, Cal., and a petition of sundry citizens of San Bernardino, Cal., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented a petition of the congregation of the Protestant Episcopal Church of Los Angeles, Cal., praying for the enactment of legislation to regulate interstate commerce in the products of child labor, which was referred to the Committee on Education and Labor.

He also presented a petition of the Chamber of Commerce of Los Angeles, Cal., praying for the acquisition by the Government of certain land in Mexico for the protection of the Colorado River, which was referred to the Committee on Public Lands.

He also presented a petition of the Chamber of Commerce of Red Bluff, Cal., praying for the enactment of legislation to provide for the regulation and control of floods, which was referred to the Committee on Commerce.

He also presented petitions of sundry citizens of California, praying for the enactment of legislation to provide for Federal censorship of motion pictures, which were referred to the Committee on Education and Labor.

Mr. HUGHES presented memorials of sundry citizens of New Jersey, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of New Jersey, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of Plainfield and Rahway, in the State of New Jersey, remonstrating against the enactment of legislation to prohibit the distribution and dispensing of narcotic drugs by physicians, dentists, and veterinarians, which was ordered to lie on the table.

He also presented a petition of the Twelfth Ward Democratic Club of Jersey City, N. J., praying for the repeal of the exemp-

tion clause of the Panama Canal act, which was ordered to lie on the table.

Mr. KERN presented memorials of sundry citizens of Marion, Fort Wayne, and Indianapolis, all in the State of Indiana, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. BRANDEGEE presented a petition of the Pastors' Association, of Bridgeport, Conn., and a petition of sundry citizens of Waterbury and Northfield, Conn., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented a petition of Local Division No. 500, Order of Railway Conductors, of New London, Conn., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

He also presented a petition of the Business Men's Association of Middletown, Conn., praying for the enactment of legislation to provide for the retirement of superannuated civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

Mr. GALLINGER presented a petition of the Warner Valley Neighborhood Conference, of Newport, N. H., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Portsmouth, N. H., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. SHEPPARD. I present resolutions adopted at the One hundred and twenty-sixth General Assembly of the Presbyterian Church in the United States of America on the subject of national prohibition. I ask that the resolutions may be read.

There being no objection, the resolutions were read, as follows:

CHICAGO, May 26.

Members of the One hundred and twenty-sixth General Assembly of the Presbyterian Church in the United States of America to-day went on record as favoring national prohibition, indorsing the national administration, the State Department, and the Navy Department for their action in support of the temperance movement, urged ministers and church members to withdraw from clubs and social organizations which dispensed alcoholic beverages, and condemned cigarette smoking.

Mr. SHEPPARD presented a memorial of sundry citizens of Dallas, Tex., and a memorial of Cigarmakers' Local Union, No. 404, of Austin, Tex., remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of the Local Union of Christian Endeavor of Houston, Tex., and a petition of the congregation of the Westminster Presbyterian Church, of Houston, Tex., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

He also presented a memorial of the Booster Club of Henrietta, Tex., remonstrating against the enactment of any anti-trust legislation at this time, which was referred to the Committee on Interstate Commerce.

He also presented petitions of sundry citizens of Morganton, N. C., and of the Western Oklahoma Ministerial Association of the Pentecostal Church of the Nazarene, of Bethany, Okla., praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. NORRIS presented petitions of sundry citizens of Nebraska, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. SHIVELY presented a petition of Henry W. Lawton Camp, No. 35, Department of Indiana, United Spanish War Veterans, at Fort Wayne, Ind., praying for the enactment of legislation to provide for the retirement of superannuated civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented a petition of the Congregational Sunday School, of Orland, Ind., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

He also presented a memorial of Cigar Makers' Local Union No. 54, of Evansville, Ind., remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. BURTON presented a petition of sundry citizens of Ohio, praying for the enactment of legislation to provide compensatory time for Sunday services performed by employees of the Post Office Department, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Ohio, praying for the postponement of all antitrust legislation until the next session of Congress, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of Ohio, praying for the enactment of legislation to provide for the retirement of superannuated civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented a petition of sundry citizens of Ohio, praying for the repeal of the toll-exemption clause in the Panama Canal act, which was ordered to lie on the table.

He also presented a petition of sundry citizens of Ohio, praying for an appropriation to provide for the erection of a monument to the memory of Capt. John Ericsson, which was referred to the Committee on the Library.

He also presented resolutions adopted by the Chamber of Commerce of Youngstown, Ohio, favoring the granting of full public hearings on the proposed antitrust legislation, which were referred to the Committee on Interstate Commerce.

Mr. SMITH of Michigan presented memorials of the International Union of Steam Engineers; of the Newspaper Web Pressmen's Union; of the Journeymen Barbers' Union; and of the International Wood Carvers' Association of America, Detroit Branch, all of Detroit; of Local Union No. 284, Brick, Tile, and Terra Cotta Workers' Alliance, of Spring Wells, of the Street and Electric Railway Employees Local Union, No. 343, of Kalamazoo; of Bartenders' Local Union No. 411, of Muskegon; and of sundry citizens of Detroit, Bay City, Isabella, Gladstone, and Escanaba, all in the State of Michigan, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented petitions of the Grand River Evangelical Brotherhood, of Detroit; of the Sunday School Association of Allegan County; of the congregations of the Congregational and Baptist Churches of South Haven; and of sundry citizens of Swartz Creek and Wolverine, all in the State of Michigan, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. WEEKS presented a petition of the Men's Union of the First Methodist Church of South Framingham, Mass., praying for the enactment of legislation to provide for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by Mount Hermon Commandery, No. 261, Knights of Malta, of Whitman, Mass., favoring the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

He also presented petitions of sundry citizens of Mansfield, Williamsburg, Fitchburg, and Gardner, all in the State of Massachusetts, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. CRAWFORD presented memorials of sundry citizens of Harding County, of Sioux Falls, and Lemmon, in the State of South Dakota, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. WORKS presented memorials of sundry citizens of San Diego and Stockton, in the State of California, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. HITCHCOCK presented petitions of sundry citizens of O'Neill, Fairbury, Central City, and Raymond, all in the State of Nebraska, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of Local Union No. 246, Order of Railway Conductors, of Wymore, Nebr., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

Mr. PAGE presented a petition of sundry citizens of Burlington, Vt., praying for national prohibition, which was referred to the Committee on the Judiciary.

#### CALLING OF THE ROLL.

Mr. KERN. Mr. President, I suggest the absence of a quorum. The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Asbust	Jones	Page	Sutherland
Brady	Kenyon	Perkins	Thomas
Brandegge	Kern	Pittman	Thompson
Bristow	La Follette	Pomerene	Thornton
Bryan	Lane	Sansbury	Tillman
Burton	Lea, Tenn.	Shafroth	Vardaman
Carson	Lodge	Shppard	Walsh
Chamberlain	Martin, Va.	Sherman	Warren
Cole	Martine, N. J.	Simmons	Weeks
Crawford	Myers	Smith, Ariz.	West
Cummins	Newlands	Smith, Md.	White
Gallinger	Norris	Smith, Mich.	Works
Gronna	O'Gorman	Smoot	
Hitchcock	Oliver	Sterling	
Hughes	Overman	Stone	

Mr. SMITH of Michigan. My colleague [Mr. TOWNSEND] is unavoidably absent from the Senate to-day. He is paired with the junior Senator from Florida [Mr. BRYAN].

Mr. WHITE. I wish to announce the unavoidable absence of my colleague [Mr. BANKHEAD] and to state that he is paired with the Senator from West Virginia [Mr. GOFF]. This announcement will continue during the day.

Mr. KERN. I desire to announce the unavoidable absence of the senior Senator from Arkansas [Mr. CLARKE], the senior Senator from Texas [Mr. CULBERSON], the junior Senator from New Hampshire [Mr. HOLLIS], and the junior Senator from Arkansas [Mr. ROBINSON], all of whom are paired. This announcement may stand for the day.

The VICE PRESIDENT. Fifty-seven Senators have answered to the roll call. There is a quorum present.

#### REPORTS OF COMMITTEES.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which was referred the bill (H. R. 5304) to increase the efficiency of the aviation service of the Army, and for other purposes, reported it with an amendment and submitted a report (No. 576) thereon.

Mr. MYERS, from the Committee on Public Lands, to which was referred the bill (S. 5433) to amend an act entitled "An act to establish the Glacier National Park in the Rocky Mountains south of the international boundary line, in the State of Montana, and for other purposes," approved May 11, 1910, reported it without amendment and submitted a report (No. 577) thereon.

Mr. MARTINE of New Jersey, from the Committee on Industrial Expositions, to which was referred the amendment submitted by Mr. JONES on the 15th ultimo, proposing to appropriate \$200,000 for the purpose of collecting and maintaining an adequate Alaskan exhibit at the Panama-Pacific Exposition, etc., intended to be proposed to the sundry civil appropriation bill, reported favorably thereon and moved that it be referred to the Committee on Appropriations and printed, which was agreed to.

#### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of Maryland:

A bill (S. 5711) providing for the appropriation of a sum of money for the erection at Fort McHenry, Baltimore, Md., of a monument to Francis Scott Key and the soldiers and sailors who participated in the Battle of North Point and the defense of Fort McHenry in the War of 1812; to the Committee on the Library.

By Mr. MYERS:

A bill (S. 5712) for the relief of the Jefferson Lime Co.; to the Committee on Claims.

By Mr. GRONNA:

A bill (S. 5713) to amend the act entitled "An act for the relief of certain settlers on the public lands, and to provide for the payment of certain fees, purchase money, and commissions paid on void entries of public lands," approved June 16, 1880; to the Committee on Public Lands.

By Mr. WEEKS:

A bill (S. 5714) providing for the promotion of certain officers of the Navy or Marine Corps, on retirement, to the next higher grade; to the Committee on Naval Affairs.

By Mr. LANE:

A bill (S. 5715) granting an increase of pension to Jen Rody Chauncey (with accompanying papers); to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 5716) granting an increase of pension to Frank Snurps (with accompanying papers); to the Committee on Pensions.

By Mr. CHAMBERLAIN:

A bill (S. 5717) granting an increase of pension to Max Pracht, alias Maxwell Pratt (with accompanying papers); and



A bill (S. 5718) granting a pension to John Sidney Montgomery (with accompanying papers); to the Committee on Pensions.

By Mr. JONES:

A bill (S. 5719) granting an increase of pension to Cary Otis (with accompanying papers); to the Committee on Pensions.

By Mr. LEWIS:

A bill (S. 5720) providing for the classification of salaries of veterinary inspectors, meat inspectors, inspectors' assistants, stock examiners, skilled laborers, and clerks employed in the Bureau of Animal Industry, Department of Agriculture; to the Committee on Agriculture and Forestry.

#### AMENDMENTS TO APPROPRIATION BILLS.

Mr. HITCHCOCK submitted an amendment proposing to appropriate \$9,125 for the paving, curbing, and constructing sewers in connection with the improvement of that portion of north Thirtieth Street between Fort Street and Laurel Avenue, adjacent to the Fort Omaha Military Reservation, Omaha, Nebr., etc., intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. O'GORMAN submitted an amendment proposing to increase the salary of the chief clerk, Senate post office, from \$1,800 to \$2,250 per annum, intended to be proposed by him to the legislative, etc., appropriation bill, which was ordered to lie on the table and be printed.

#### OMNIBUS CLAIMS BILL.

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the omnibus claims bill, which was ordered to lie on the table and be printed.

#### PANAMA CANAL TOLLS.

Mr. PITTMAN. I submit an amendment to the Panama Canal tolls bill which I ask may be read.

There being no objection, the amendment was read, ordered to lie on the table, and to be printed as follows:

SEC. 3. The President of the United States may at any time by proclamation reduce the rate of tolls to be paid by vessels of the United States passing through the Panama Canal, or may exempt such vessels from the payment of any tolls or make and publish general rules prohibiting any vessel of any nation, including the United States, its citizens or subjects, from passing through the canal that has been granted any form of subsidy, bonus, or rebate or that possesses any privilege which would constitute a discrimination in favor of such vessel against the vessels of any other nation, including the United States, or charge such vessel such additional tolls as will equalize such conditions or make and publish such other general rules and regulations as, in his opinion, may be necessary for the purpose of securing or maintaining entire equality in the use of the canal and of preventing discrimination against the vessels of any nation, including the United States, its citizens or subjects: *Provided*, That neither the passage of this act nor anything therein contained shall be construed to waive, abandon, or impair any treaty or other right possessed by the United States.

Mr. RANDELL submitted an amendment intended to be proposed by him to the bill (H. R. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, approved August 24, 1912, which was ordered to lie on the table and be printed.

#### WOMAN SUFFRAGE IN CALIFORNIA (S. DOC. NO. 488).

Mr. WORKS. I have here an address in the form of a report by a committee of women of southern California upon the practical working and operation of woman suffrage in the State of California containing valuable and interesting data upon live issues now before Congress and the people. I ask that it be printed as a public document.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

#### IRRIGATION DEVELOPMENT IN AUSTRALIA.

Mr. JONES. I have here an address delivered by Elwood Mead, engineer department of the state rivers and water supply commission, Victoria, Australia. Mr. Mead was formerly connected with the Agricultural Department of our Government. The address deals with conditions under irrigation projects and gives a statement as to how the farmers there have been aided and the results of such aid. I ask that it may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### SYSTEMATIC AID TO SETTLERS THE FIRST NEED IN IRRIGATION DEVELOPMENT.

[Address delivered at the Irrigation Conference, Denver, Colo., on Apr. 9, 1914, by Elwood Mead, C. E., chairman state rivers and water supply commission, Victoria, Australia.]

For the past seven years I have had the privilege of working for a government that has shown great wisdom and sagacity in its social and industrial legislation. Nowhere has this been more conspicuous than in its land and water laws and the policy followed in irrigation development. In this it has blazed trails which this country can fol-

low to advantage. Recently I explained to Gov. Johnson, of California, the methods by which Victoria, one of the Australian States, is securing settlers on its irrigated lands and aiding them to rapidly become self-supporting and prosperous. He was greatly interested and asked me to come to this convention as a delegate from California and explain what I had told him. Believing that a national policy of aid to settlers on irrigated lands will prove of immense value in developing this country and stop the drift of American farmers to other lands, I availed myself of the governor's suggestion, and did this the more readily because of the opportunity of meeting many whom I had formerly known.

The absence of adequate financial help for settlers during the first five years is the main cause for the stagnation in irrigation development in this country and for the calling of this conference. One only needs to put himself in the place of the settler to realize what a costly and serious venture it is to attempt to transform unimproved land into an irrigated farm and how much danger there is to the man of small capital that the attempt will prove a disaster. Before the settler can have any return from his land he must do many things not required in an unirrigated country. A house must be built, ditches dug, land cleared and graded, seed sown, and the somewhat difficult art of irrigation mastered under untried conditions before he can have any return. While this is being done there is no income. His scanty capital is being swallowed up in living expenses. Often there is much hardship for himself and his family. Many a poor settler's wife has aged 10 years in 10 months. If money has to be borrowed, interest rates are excessive, and all combine to discourage those to whom these conditions are strange and new.

To these have been added in recent years great increases in charges for land and water. Costly dams and permanent works mean much higher water charges than were paid by the earlier generation of irrigators, until the marvel is not that many fail, but that any endure. With water rights costing from \$40 to \$60 per acre and with the present western interest rates, the chances are all against the success of the settler who has less than \$5,000 or \$6,000 capital. The question which now needs to be decided is whether opportunities under national or private works are to be restricted to men with this or larger capital, or poorer men encouraged by helping them to improve their farms.

#### PROBLEMS OF SETTLEMENT HAVE BEEN NEGLECTED.

Thus far in America we have almost entirely ignored the requirements of colonization and settlement. We have looked upon the building or irrigation works and the marketing of irrigation securities as the main problems of irrigation development. We have not given enough thought to the obstacles which confront the farmer in completing the work of reclamation, and the risks and hardships imposed on himself and his family when they undertake the development of raw land, and the payment of high charges now imposed. Another mistake has been to regard irrigation enterprises as something which could be paid for quickly. We have taken it for granted that if the works were built the farmer would come forward and foot the bills. The actual facts are entirely different. Irrigation works do not create irrigated agriculture. The money spent on dams and canals must be followed by an equal or greater expenditure for houses, farm buildings, fences, grading, and ditching fields before the water can be used and irrigation works have either revenue or productive value.

Owing to settlers not being able to obtain financial aid many have not been able to complete the preparation of their land for irrigation in a reasonable time, and, as a result, have failed, when through timely assistance they would have succeeded. These failures have deterred others from attempting settlement, hence a large part of the irrigable land is unoccupied. Until this is changed the reclamation of irrigated land will continue to involve regrettable hardship and loss to many deserving settlers. Development will be slow and irrigation securities will have uncertain value. Irrigation works will not fulfill their greatest purpose, which is to create opportunities for poor men, and American farmers will continue to emigrate to the ready-made irrigated farms of Australia and Canada.

#### STATE AID IS FEASIBLE.

Adequate financial aid for settlers during the first five years is the greatest question before this conference. It is also the one about which there is likely to be the greatest difference of opinion. No one, I think, doubts its need or value if wisely and honestly managed, but many do not regard it as feasible simply because it has not been attempted.

With respect to the latter, I have had during the past five years a most convincing and instructive experience. As chairman of the State water commission of Victoria I have assisted in carrying out one of the most complete schemes of State aid to irrigated settlement ever attempted. Its success will, I hope, encourage this country to adopt a similar policy.

Seven years ago the situation under the irrigation schemes of Victoria was not unlike that under the Reclamation and Carey Acts projects to-day. Canals were built, water was available, but settlers were not there to use it, and hence the works were unprofitable. The State government determined to change this by creating conditions which would enable anyone who had industry and thrift to secure an irrigated farm, even if he had little or no money, and which would warrant its inviting settlement from distant countries. It has succeeded in its purpose by requiring only small initial payments and giving adequate aid and direction. No charge is made for water rights, and the annual payments for water are only intended to cover 4 per cent interest on the cost of works and the expenses of operation and maintenance. The cash payment on land is only 3 per cent of its cost and 3 1/2 years is given in which to complete payments with interest at 4 1/2 per cent. Houses are built for settlers on a cash payment of about one-fourth the cost, payments of the remainder may extend over 20 years with 5 per cent interest. The State, when desired, grades and seeds a portion, up to one-fourth, of each farm, on the payment of one-fifth the estimated cost, and allows the payments of the remainder to extend over 10 years. It employs disinterested expert advisers to help the settler select his farm, buy his horses and cows, and do what is needed to get established on his farm. The saving in money and time which this system effects can only be appreciated by those who have seen it in operation. Many settlers select their farm and arrange for the erection of their house before leaving Europe; are able to go directly from the ship to their new home, and have a living income from a dairy herd within a month from their arrival.

The State follows up this initial assistance by loaning the settler 60 per cent of the value of any improvements he makes. This enables men with small capital to complete without delay the grading, seeding,



and improvement of their farms. The settler does not need to halt when he exhausts his own capital. When he has one field graded he can borrow money on that to grade another.

This generous aid and the thoughtful consideration for his welfare is a great encouragement and incentive to the ambitious and earnest beginners. I have never seen elsewhere men work as hard or achieve as much in the first two years as on those Victorian settlements. But all who come are not industrious or capable. Such a scheme is especially attractive to the visionary and incompetent. Some of the settlers seem to regard the house, the farm, and the graded fields as an endowment, and to believe that the State which has done so much to help them succeed will do the remainder. To help the inexperienced and guard against being imposed upon by the idler or indifferent, the State employs in each district a tactful, practical farmer who is the friend, counsellor, and adviser of the working settler and a stimulator to others. When his efforts and influence fail the fact is reported to the head office. The settler knows of this and also knows that such report will have a controlling influence in determining whether or not he is to obtain loans or be given sympathetic treatment when payments are delayed. The law is so framed that the commission administering it has discretion to defer payments where settlers are unfortunate, but it also has authority to eliminate promptly any settler who fails to show earnestness, industry, and thrift.

This scheme of comprehensive aid has now been in operation for six years. The settlements that are three years old are practically established and self-supporting. It is the unanimous opinion of all those familiar with development that nowhere else have they seen such rapid progress in the cultivation of land or such large returns in the earlier years of settlement. One of the inspectors was formerly a successful farmer in the Imperial Valley, Cal. It is his belief that as much progress is made in these settlements in Victoria during 18 months as was made on an average in the Imperial Valley in 5 years.

One can not help being inspired by the hope, the gratitude, and the tremendous industry that is everywhere manifest. The government that inaugurated these measures is nearer a real democracy than a government that leaves the settler to struggle unaided. While Australia and New Zealand have led in the movement to aid settlers, their example is now being followed in other developing countries. South Africa has adopted it, and the newspapers report that British Columbia intends to adopt it. The Canadian Pacific Railway is loaning each settler on its irrigated tracts in aid of these initial improvements, and the Argentine is beginning to consider making such aid a feature of its colonization policy.

#### SHOULD THE POLICY OF THE UNITED STATES BE CHANGED?

The adoption of a similar policy in the United States would relieve settlers of much anxiety and hardships without imposing any burden on the taxpayer. By using the public credit long terms for repayment could be obtained at low rate of interest, and with settlers fitted for their work and given practical advice by the Government, repayment of loans would be assured, and development would then continue under opportunities as favorable as those provided in other countries. Every condition that has secured the success of State aid in Australia exists here in equal or greater measure. The tenant farmers of the Middle West furnish a large body of the very best class of settlers. The country does not have to look for them on the other side of the world. The lands are here, the works have been built. All that is needed is the inauguration of some businesslike scheme which will provide the funds and exercise the necessary direction and oversight over the settlers.

The greatest need in this country is the complete use of the works already built. From Colorado to California are private and public works, with less than half the land under cultivation, and with inadequate revenues are struggling to maintain their financial credit. Suitable settlers would completely change the situation. Under some of these schemes the conditions for extending this aid are altogether satisfactory, whilst under others settlement under present conditions should be prevented. Either the water supply is inadequate, the land is unfit, or the charges for land and water are too high. To extend public aid in the settlement of such enterprises means inevitable disaster to all concerned, and the first step in all such cases should be an investigation by some competent public authority to weed out the sound from the unsound schemes. Starting with sound enterprises there should, in each case, be an organization to meet and take charge of the settlers, and there must be some way by which large sums of money can be provided to give them the necessary aid.

In the State of Victoria this money is provided in a large measure by the State Savings Bank, which has deposits of \$110,000,000, on which 3 and 3½ per cent interest is paid. This money is loaned directly to the farmers at 4½ and 5 per cent. A remote country, with small accumulations, thus gives the farmers money at about half the interest rates prevailing in the western part of the United States. It would seem that the Victorian policy might wisely be followed in the United States, and the funds deposited in the postal savings bank of the Nation loaned to farmers developing irrigated lands rather than to the banks, as at present. The experience of all of the Australian States shows that not only is this a safe use for these funds, but it can be made a great agency for national development. Safety could be further insured by an arrangement under which the States would guarantee the returns of all funds loaned to settlers within their boundaries. In any event, the cost of improving land is as great as the expense of providing water for it, and if we are to have a humane and rounded out scheme of development the settler's side must receive more consideration.

#### INTERSTATE TRADE COMMISSION.

Mr. OLIVER. I have here a memorial of the Philadelphia Board of Trade protesting against the passage of the Interstate trade commission bill. It is not a long article, and I ask leave to have it printed in the RECORD and referred to the Committee on Interstate Commerce.

There being no objection, the memorial was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

PROTEST AGAINST PASSAGE OF BILL PROVIDING FOR THE CREATION OF AN INTERSTATE TRADE COMMISSION.

To the honorable the Senate and House of Representatives of the United States in Congress assembled:

Your memorialist, the Philadelphia Board of Trade, respectfully represents.

That there has been introduced in the House of Representatives a bill entitled H. R. 14361, providing for the creation of an interstate trade commission.

Your memorialist is opposed to the proposed legislation for the following reasons:

#### PURPOSE OF THE COMMISSION.

Under the title of a trade commission the bill provides for the creation of a committee or body of three members, which shall have power to investigate the business of any corporation or class of corporations, with certain exceptions. It may require statements by any corporation within its jurisdiction of its financial condition, its trade relations, its business methods, etc., and may enforce the production of its business and other records and the attendance of its officers, employees, or other witnesses. In general purpose and effect it is intended to subject all of the business of the country (not already under commission supervision) to governmental supervision.

It should be noted that this body is not a court or judicial tribunal properly constituted to try and determine alleged infractions of any law or laws, but a body expressly authorized to impose upon the business of the country, or such classes of business as may be designated by it, the duty and burden of reporting annually to it the full record and account of its transactions.

#### PRINCIPLES OF FREE GOVERNMENT.

The only proper basis we believe, on which Government can in general interfere in either individual or business life is in laying down certain general rules or principles of conduct, applicable to all, and providing the necessary machinery for their enforcement. A proper tribunal, whether called a court or commission, whose duty it is to hear and determine charges of infractions of the law properly brought before it, is an essential part of the machinery for the enforcement of the law. A commission whose duty it is to "smell out" offenders or to require reports and generally oversee the details of business life has no place in the machinery of a free government.

Supervision of business merely as supervision is no more necessary to the public welfare, no more desirable, and no more possible than the supervision of the details of individual life. In either case it is indefensible on principle and is justly to be characterized as an objectionable form or characteristic of paternalism.

#### STATESMANSHIP V. POLITICS.

Accompanying the vast business expansion of the past 25 years there have been discernible certain practices which the sound moral judgment of the community disapproved. They comprised rebates given by public-service corporations (whose semipublic character should require them to treat all alike), willful and malicious attempts to injure competitors (outside the realm of the injury incident to fair competition), and attempts to acquire absolute control of particular industries. In the reaction against these things the public judgment should not be warped, sound principles of government should not be forgotten, and meretricious expedients should not be adopted.

The fact which we seek to emphasize is that every one of these admitted evils has been fully legislated against: the country has adequate courts to enforce the law and officers charged with the duty of prosecution where the offenses are charged. During the last five or six years public opinion has called for the rigid enforcement of the law. The law has been enforced, rebates have stopped, malicious injuries to competition have been punished, and great industries dissolved into small competitive fragments. Whether all of this will insure to the public welfare or not, whether in some respects the existing law may not be too stringent, we leave for time to determine. What we confidently assert, however, is that no one who has followed the history of these things can doubt the sweeping and effective character of the existing law to prohibit existing evils or the efficiency of the existing machinery for enforcing the law when that machinery is once set in motion.

Under the circumstances additional legislation will tend to confuse rather than clarify and is open to the just suspicion of political expediency.

#### GOVERNMENT BY COMMISSION.

In the reaction which has followed our great period of expansion the States have very generally attempted the experiment of commission rule for all public-service corporations. The Federal Government has adopted the same expedient with respect to the railroads. It would be unfair to so characterize these measures without giving the reasons for our belief that in their present form, at least, these commissions are experimental and have not yet demonstrated their right to a permanent place in our institutions.

#### 1. THE FUNDAMENTAL DIFFICULTY.

In the first place, then, these commissions (so far as they are empowered to regulate prices) are all founded upon the anomalous principle that persons, without any direct responsibility for the consequences, without personal and first-hand knowledge of the requirements, and subject to influences of political expediency, are delegated to determine what this or that public-service corporation needs and shall earn. When it is considered that a large part of the savings of the country are invested in these companies, the outcome seems fraught with uncertainty and danger.

#### 2. THE COST.

The commissions, Federal and State, have entailed a heavy burden of expense upon the community, directly upon business and indirectly upon the people as a whole. This expense is partly due to the cost of maintenance of the commissions themselves, but in much larger part to the requirements imposed by the commissions on the individuals or corporations coming within their jurisdiction. The data collected and furnished by one public-utility company at the request of one commission cost upward of \$100,000, irrespective of the services of the officers and employees. If this were a fair average per State for each corporation (as to which we have not sufficient data for judgment), it would mean that the aggregate expense of the experiment of commission supervision of the public utilities alone will come to an enormous total.

An independent public-utility company doing a small but steady business was forced by the additional expense imposed by the commission requirements of its State to cease doing business, and its only method of saving the value of its assets was by sale to a competitor of sufficient size to bear without breaking the additional burden.

Probably most of the public-service corporations are to-day confronted with the concrete fact that if new money is needed to develop the service which they render to the community it must be raised by bond issues and heavy premiums paid to those who take the risk of disposing of the bonds. This condition is less sound from the economic standpoint than one in which the necessary funds can be raised on sales of stock, and the reason for the condition is very simple—if the commissions limit the amounts which the companies may earn, the public



have no sufficient inducement to invest in stocks; if the commissions impose on the companies heavy additional expense, the security for the bonds is depreciated. This condition must result unfavorably to the public in the end: it means less efficient service at higher prices.

If the final result of commission supervision over public-service corporations is to make the transaction of the public-service business unduly expensive (the community eventually paying the expense), is to prevent competition by tending to eliminate all but the larger and more powerful units, and is finally to so limit the credit of these companies and curtail the inducements they can offer to investors, that they are unable to finance themselves except at exorbitant rates, the systems of supervision by commissions is bad for the community and must eventually be modified or abandoned.

### 3. INDIRECT EFFECTS.

The indirect effects of governmental interference through commissions in business are not to be lightly ignored. While the general depressed condition of business and great shrinkage in values will doubtless be attributed by different persons to different causes—to foreign complications, to tariff charges, to world-wide movements of uncertain character, or other causes—one of the conditions powerfully affecting this country is undoubtedly this: The savings of the people of this country are invested chiefly in the business of the country. The vast sums invested in the railroads are confronted with the restrictive control of railroad earnings by the Interstate Commerce Commission, as well as by a mass of legislation in the several States exacting new forms of taxation, requirements of extravagant service, limitations of charges, etc. The almost equally large volume of savings invested in the public utilities is confronted with the same general problems through the operations of the commissions appointed in the various States.

The results of this restrictive legislation is apparent to all in the present difficulty experienced by the railroads and other public utilities in obtaining necessary capital, in the consequent stoppage of normal growth, and in the shrinkage of the value of their securities. However much other causes may intervene to assist in the general depression, the curtailment of the purchasing power of this large portion of the business assets of the country must and does play a large part in the unfavorable conditions which to-day exist.

### CONCLUSION.

Under these circumstances we respectfully submit that wisdom and sound judgment require that the effect upon the country of commission supervision of the public-service corporations be carefully noted over a series of years before any attempt should be made to extend that system in any degree beyond its present limits.

If after a full and complete test commission control over railroads and public utilities is modified or developed into a system beneficial to the country, it will be ample time to consider in what form, if at all, Government should intervene to regulate the initiative and activities of individuals or corporations not engaged in public service but in private enterprise. In the meantime both public and private rights are amply guarded by existing law.

For the above reasons, among others, your memorialist respectfully submits that the Interstate trade commission bill should not receive your favorable consideration.

And your memorialist will ever pray.

On motion, the report was accepted and the following resolutions adopted:

"1. *Resolved*, That the memorial issued by the officers and committee in charge, under the direction of this board, opposing the so-called omnibus antitrust bill is hereby approved.

"2. *Resolved*, That the officers be instructed to enter a negative vote to the referendum submitted by the Chamber of Commerce of the United States to its members in relation to the creation of an interstate trade commission.

"3. *Resolved*, That the officers be instructed to issue the memorial submitted to this council by the committee on legislation in opposition to the proposed Interstate trade commission."

NOTE.—A copy of the memorial opposing the passage of the omnibus antitrust bill (H. R. 15657), as formulated by the committee on "legislation" under the authority of a resolution adopted at the meeting of the board held April 20, 1914, accompanies this summary.

WM. M. COATES, President.

Attest:

W. R. TUCKER, Secretary.

### PERSONAL EXPLANATION—REPUBLIC COAL CO.

Mr. MYERS. Mr. President, I desire to make a personal statement.

On the 23d of March last, when Senate joint resolution No. 41, providing for the sale of certain coal lands to the Republic Coal Co., of Montana, was before the Senate and under discussion, I had the floor, and after having made a statement that the Republic Coal Co. was a subsidiary company of the Chicago, Milwaukee & Puget Sound Railway Co. and that so far as that resolution was concerned it was practically identical with that railway company, I used this language:

The Northern Pacific owns each alternate section of coal lands there and will not sell any coal to a competing line. It absolutely refuses to treat with it or deal with it or negotiate with it at all.

At the time I used that language I believed it to be entirely and literally true. I had so understood. Shortly thereafter I received a letter from Mr. J. M. Hannaford, president of the Northern Pacific Railway Co., in which he called my attention to that language and informed me that it was not correct, and stated that he had had some correspondence with the manager of the Republic Coal Co. looking to the leasing of some of the coal lands of the Northern Pacific Railway Co.; that he had made the manager of the Republic Coal Co. a figure on leasing some of the coal lands of the Northern Pacific Railway Co., and that the manager of the Republic Coal Co. claimed that he could not pay the price and had declined to enter into a lease at the price quoted.

Mr. Hannaford asked me for the source of my information on the subject, and I gave him as my informant the manager of the Republic Coal Co. That gentleman was in the city at the time, and I called to his attention the letter of Mr. Hannaford and he verified Mr. Hannaford's statement. He said that the Northern Pacific Railway Co. had made to him a price on the leasing of some coal land, but he claimed that the price was prohibitive and was beyond his reach, and that he could not afford to pay it, and therefore no lease had been entered into.

I had been under the impression that the Northern Pacific Railway Co. had absolutely refused to negotiate with or deal with the manager of the Republic Coal Co. at all and so stated, but upon having my attention called to the statement I learned the facts to be, as acknowledged by both sides, that a price had been quoted, and that the manager of the Republic Coal Co. claimed that the quoted price was prohibitive, and that therefore he could not afford to enter into a lease at the price named. I suppose that is a matter of opinion between him and the president of the Northern Pacific Railway Co.

I now make this statement, in order to correct and set right my former statement, made under a misapprehension, which I believed to be correct at the time. It appears that the reason why no lease has been entered into has been because of a difference of opinion between the management of the two institutions as to what the Republic Coal Co. could afford to pay the Northern Pacific Railway Co. for coal in the vicinity of the operations of the former company. The misstatement that I made was entirely unintentional on my part and I was entirely innocent in making it.

While believing that it is right that the Republic Coal Co. should have coal for the operation of its trains on the Milwaukee Railroad, believing that it is an absolute necessity, and believing still, as I do, that Senate joint resolution No. 41 is a just and meritorious measure and that the Republic Coal Co. should be allowed to buy coal from the Government at a reasonable price, at the same time I do not wish to do any injustice to the management of the Northern Pacific Railway Co. I stated that the Northern Pacific Railway Co. refused to negotiate with the Republic Coal Co. for the leasing or sale of any coal lands. I know that the manager of the Republic Coal Co. never intended to mislead me and would not do so. Doubtless he told me that he had "been unable to negotiate" a sale or lease with the Northern Pacific, meaning that they had been unable to come to terms, while I gained therefrom the idea that the Northern Pacific had refused to negotiate. I now know there was no refusal to negotiate but an inability of the parties to effect a negotiation, on account of differences of opinion. It was an innocent misapprehension on my part. I know that the manager of the Republic Coal Co. never intended to mislead or misinform me. It was my own misunderstanding.

I realize that the Northern Pacific Railway Co. and the Chicago, Milwaukee & Puget Sound Railway Co. are both great institutions, each of which has done a grand work for the State of Montana, the great northwest, and the entire country. Each is entitled to just and fair consideration, and I want each to have equal rights and just and fair treatment; nothing more and nothing less. I would not knowingly reflect on either. I highly esteem both.

I would not wish any statement of mine which would do injustice to either one to go uncorrected. Therefore I take great pleasure in making the correction I have just made.

I do not believe that the innocent misstatement which I made was material to the merits of the subject under discussion. I still believe Senate joint resolution 41 meritorious, and that it should speedily pass the Senate and House. The correction I have made is immaterial to its merits and is in nowise prejudicial to it and does not affect its rights. However, I do not wish any statement of mine, whether material to justice or not, to misrepresent anyone.

### LIABILITY OF COMMON CARRIERS.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Secretary read the resolution (S. Res. 384) submitted yesterday by Mr. CUMMINS, as follows:

*Resolved*, That immediately after the final disposition of the bill now the unfinished business the Senate take up for consideration S. 4522, to amend the interstate-commerce act relating to liability of common carriers.

Mr. CUMMINS. Mr. President, I believe time can be saved by the suggestion which I am about to make. I expect to debate this resolution long enough to show why the bill to which it refers should receive consideration very soon, but I believe we can dispose of the bill in less time than it will require me



to debate the resolution. I therefore again ask unanimous consent for the present consideration of Senate bill 4522.

The VICE PRESIDENT. Is there objection?

Mr. NEWLANDS. Mr. President, I observe that there are certain amendments to the bill which will be offered by the Senator from Texas [Mr. SHEPPARD], and I can not assume that the bill will not take time for debate. The report on the bill was made by the Senator from Arkansas [Mr. ROBINSON], who is the chairman of the subcommittee which considered the bill. The Senator from Arkansas is absent from the city and will be absent for a week or 10 days. I should much prefer that the Senator from Iowa would permit this matter to lie over until the Senator from Arkansas returns.

Mr. CUMMINS. I can not hear the Senator from Nevada.

Mr. NEWLANDS. Mr. President, I stated that the chairman of the subcommittee which had the bill under consideration was the Senator from Arkansas [Mr. ROBINSON]; that he reported the bill; that he is now absent in Arkansas and will not be back for 10 days at least; and I suggested that the Senator from Iowa should let the matter lie over until the Senator from Arkansas returns.

Mr. CUMMINS. Mr. President, the Senator from Arkansas is earnestly in favor of this bill. He and myself were members of the subcommittee that had hearings upon the bill, and one of the last things that he said to me before he went home was to lose no opportunity to bring the bill before the Senate, and to do it at the earliest possible moment. I am sure that the Senator from Nevada is not speaking for the Senator from Arkansas when he asks delay.

Mr. NEWLANDS. Mr. President, I have had no communication with the Senator from Arkansas regarding this bill, and I take it for granted, of course, that he expressed himself regarding it as the Senator from Iowa has indicated; but still there are amendments offered to this bill, and it seems to me entirely proper that the Senator from Arkansas should be here, as he is more familiar with the bill than anyone else. Therefore I suggest to the Senator from Iowa that the matter should go over until his return.

Mr. CUMMINS. Of course, it is in the power of the Senator from Nevada to object—

Mr. NEWLANDS. Yes; I object.

Mr. CUMMINS. But I do not intend to postpone it because the Senator from Arkansas is absent, in view of the fact that he especially asked me not to postpone it, but to bring it on just as soon as I could. He realizes the importance of the bill quite as fully as I do, and he reported on behalf of the committee the amendments which are now printed in the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. THORNTON. Mr. President, in the absence of the chairman of the Committee on Inter-oceanic Canals, I wish to say to the Senator from Iowa that I can not consent to his bill interfering with the consideration of what is called the Panama Canal tolls bill when the time comes for it to be taken up; and I can not consent to its consuming the time that properly should be devoted to the consideration of the naval appropriation bill, which is now under consideration, and which, I think, will be finished this afternoon. I have no objection to considering the bill in which the Senator from Iowa is interested, provided the discussion can be closed on it by half past 12 or 1 o'clock; otherwise, I shall have to object.

The VICE PRESIDENT. The Chair will state, as a matter of parliamentary law, that an objection may be interposed at any time before 1 o'clock to the further consideration of the bill. Is there any objection to the present consideration of the bill?

Mr. NEWLANDS. I do not understand what the Chair said with reference to the bill. Do I understand that objection can be made to its further consideration at any time before 1 o'clock?

The VICE PRESIDENT. Yes; objection can be made to its further consideration at any time before 1 o'clock.

Mr. NEWLANDS. The bill will not, then, take its place as the unfinished business?

The VICE PRESIDENT. Certainly not; it will go back to the calendar undisposed of at that time.

Mr. BRANDEGEE. Mr. President, does not the objection, which can be interposed at any time, relate to a bill which has been taken up under Rule VIII? After the Senate gives unanimous consent for the consideration of this bill, I do not think that a Senator—

The VICE PRESIDENT. It relates, in the opinion of the Chair, to a bill taken up in the morning hour not on motion.

Mr. BRANDEGEE. Such a bill may be objected to at any time?

The VICE PRESIDENT. Such a bill may be objected to at any time during the morning hour. That is the understanding of the Chair with reference to the rule. The opinion of the Chair has been that as to a bill taken up without exception during the morning hour the Senate might discover that it was leading to too great an expenditure of time and stop it and send it back to the calendar. That has been the view of the Chair. Is there objection to the present consideration of the bill? The Chair hears none.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 4522) to amend an act entitled "An act to amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission," approved June 29, 1906, which had been reported from the Committee on Interstate Commerce with amendments.

The Secretary proceeded to read the bill and read to the word "transportation," in line 19, on page 2.

Mr. SHEPPARD. Mr. President, is it proper to offer an amendment at this point? I understand this is merely the first reading of the bill.

Mr. GALLINGER. Mr. President, the bill evidently should be read in its original form.

The VICE PRESIDENT. The Chair thinks the bill should be read first, and then amendments may be offered.

Mr. SHEPPARD. I wish to offer an amendment to this line of the bill.

The VICE PRESIDENT. The Chair thinks the bill should be first read for the information of the Senate, and then amendments may be offered.

The Secretary resumed and concluded the reading of the bill.

The first amendment reported by the Committee on Interstate Commerce was, on page 3, line 6, after the word "State," to insert "Territory, or the District of Columbia"; and in line 7, after the word "State," to insert "or Territory, or from a point in a State or Territory to a point in the District of Columbia, or for transportation wholly within a Territory," so as to read:

That any common carrier, railroad, or transportation company receiving property for transportation from a point in one State to a point in another State shall issue a receipt or bill of lading therefor, and shall be liable to the lawful holder thereof for any loss, damage, or injury to such property caused by it or by any common carrier, railroad, or transportation company to which such property may be delivered or over whose line or lines such property may pass, and no contract, receipt, rule, or regulation shall exempt such common carrier, railroad, or transportation company from the liability hereby imposed; and any such common carrier, railroad, or transportation company so receiving property for transportation from a point in one State, Territory, or the District of Columbia to a point in another State or Territory, or from a point in a State or Territory to a point in the District of Columbia, or for transportation wholly within a Territory, shall be liable to the lawful holder of said receipt or bill of lading.

The amendment was agreed to.

The next amendment was, on page 3, line 11, after the word "full," to strike out "actual value of such property" and insert "actual loss, damage, or injury to such property caused by it or by any common carrier, railroad, or transportation company to which such property may be delivered or over whose line or lines such property may pass"; so as to read:

For the full actual loss, damage, or injury to such property caused by it or by any common carrier, railroad, or transportation company to which such property may be delivered or over whose line or lines such property may pass, notwithstanding any limitation of liability or limitation of the amount of recovery or representation or agreement as to value in any such receipt or bill of lading, or in any contract, rule, regulation, or in any tariff filed with the Interstate Commerce Commission; and any such limitation, without respect to the manner or form in which it is sought to be made, is hereby declared to be unlawful and void.

Mr. GALLINGER. Mr. President, I ask the Senator from Iowa precisely what difference in meaning there is between the language of the bill and the amendment?

Mr. SMITH of Georgia. We can not hear the Senator from New Hampshire.

Mr. GALLINGER. I inquired of the Senator from Iowa as to the exact difference in meaning between the language of the bill in its original form and the amendment, which, in lieu of the words "actual value of such property," proposes to insert "actual loss, damage, or injury to such property caused by it or by any common carrier, railroad, or transportation company to which such property may be delivered or over whose line or lines such property may pass."

Mr. CUMMINS. The language of the bill is not very happily chosen in this respect, but the difference is that if the property was damaged, not wholly destroyed, the words of the original



bill would seem to have implied that the entire value of the property could be recovered, whereas it is the intent that only the actual loss or damage shall be recovered.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The SECRETARY. Also, on page 3, line 22, after the words "Provided, however," the committee proposes to strike out "That, if the property so offered and received for transportation," and in lieu thereof to insert "That, except as to ordinary live stock, if such property so offered and received for transportation."

The amendment was agreed to.

The SECRETARY. On page 3, line 25, after the word "or," the committee proposes to strike out the word "otherwise," and insert: "by other means, or if express authorization has been heretofore granted or shall be hereafter granted by the Interstate Commerce Commission for the establishment and maintenance of rates for the transportation thereof dependent upon the value of the property shipped, as stated in writing by the consignor and reference given in the rate schedule to such authorization, then."

The amendment was agreed to.

Mr. SMITH of Georgia. I will ask the Senator from Iowa to give us a word of explanation of this amendment before it is agreed to.

Mr. CUMMINS. I think it might be well to state at this point just what the difficulty is with the law as now construed by the Supreme Court.

Prior to 1906 it was the law in most of the States of the Union, either by statute or by the declaration of the courts of the State, that any agreement, rule, or regulation that sought to limit the liability of railway companies to less than the actual value of the property injured, or the actual loss or damage sustained by an individual, if a person was injured, was void as against public policy. I think it is well, possibly, at this point, to show that.

In our State, for instance—and I choose now one decision of the Supreme Court construing a statute of the State and one decision construing or applying the common law of the State as declared by its highest tribunal—in the case of the Chicago, Milwaukee & St. Paul Railway Co. against Solan, reported in One hundred and sixty-ninth United States, at page 133, the Supreme Court had before it for review the judgment of the Supreme Court of Iowa in a suit brought by a shipper of stock for injuries which he had sustained while upon an interstate journey accompanying the stock which he owned. The section of our code which relates to the subject is as follows:

No contract, receipt, rule, or regulation shall exempt any corporation engaged in transporting persons or property by railway from liability of a common carrier or carrier of passengers which would exist had no contract, receipt, rule, or regulation been made or entered into.

This particular plaintiff had entered into an agreement with the Chicago, Milwaukee & St. Paul road that in the event of injury to him the recovery should be limited to \$500. He was injured, he sued, and the supreme court of the State held that under this section of the code the agreement which had been entered into was void, and that, notwithstanding the agreement, he had a right to recover his full damage. In the Supreme Court of the United States, to which the judgment was taken, it was urged that inasmuch as this was an interstate transaction, an interstate journey, and inasmuch as Congress had exclusive jurisdiction over interstate commerce, the statute of Iowa was invalid and could not apply to such an instance. The Supreme Court, however, in very decided and positive terms held that until Congress acted upon the particular subject the legislation of the State was effective and valid, and it affirmed the judgment of the Supreme Court of Iowa.

A little later there came before the Supreme Court the case of the Pennsylvania Railroad Co. against Hughes, reported in One hundred and ninety-first United States, at page 477. There a horse had been shipped from New York to Pennsylvania, and the owner or shipper had agreed with the railroad company that in case of loss or in case of killing the animal the recovery should be not to exceed \$100; I think that was the limitation. There was a trial, and the Supreme Court of Pennsylvania held that the agreement was contrary to the policy of that State—that is to say, it was contrary to the common law of Pennsylvania—and entered a judgment for the full value of the horse. The judgment was taken for review to the Supreme Court of the United States; and then again the Supreme Court held that the law of the State, as declared by its highest judicial tribunal, was the law that must be applied to the instance, and that the plaintiff was entitled to recover the full value of the animal,

notwithstanding the fact that it was injured in an interstate carriage, and that Pennsylvania, either through her legislature or through her courts, had a perfect right to determine the respective rights and liabilities of the persons interested until Congress acted.

Such was the law in nearly all of the States of the Union when in 1906 we came to revise the interstate-commerce law. There was, as you will remember, quite an extensive revision of the law in 1906, and as a part of that revision there was adopted what has become well known as the Carmack amendment. It is shown in the first paragraph of this bill. It reads:

That any common carrier, railroad, or transportation company receiving property for transportation from a point in one State to a point in another State shall issue a receipt or a bill of lading therefor, and shall be liable to the lawful holder thereof for any loss, damage, or injury to such property caused by it or by any common carrier, railroad, or transportation company to which such property may be delivered, or over whose line or lines such property may pass, and no contract, receipt, rule, or regulation shall exempt such common carrier, railroad, or transportation company from the liability hereby imposed: *Provided*, That nothing in this section shall deprive any holder of such receipt or bill of lading of any remedy or right of action which he has under existing law.

It will be observed that the purpose of this amendment was to make the initial carrier liable for any loss or damage that might occur to property or persons during the entire carriage. I am sure it was not in the mind of Congress, and certainly not in the mind of the Senator who offered the amendment, to make any change whatsoever in the law to which I have referred governing the extent of recovery.

A year or two after that time, however, an express company lost a ring which had been committed to its care, and which was shipped under a contract for limited liability—\$50, I believe, or \$25. When that case reached the Supreme Court of the United States the court reviewed the entire field, and said that while before the Carmack amendment was adopted these State statutes and State laws through judicial interpretation were valid, yet inasmuch as Congress had acted upon the subject of bills of lading, and had not specifically provided against the exemption or immunity from liability to which I have referred, therefore all the State statutes and all the State judicial declarations upon the subject were abrogated, and that a common carrier could validly agree with a shipper that if a horse or an animal of any kind were shipped upon the rate that had been customary, if the animal were lost the recovery should be no more, we will say, than \$25 or \$30 or \$40, as the railroad company might desire.

I shall not read the opinion of the court; it goes into the subject very carefully; and the conclusion I have stated will not be disputed by anyone who is familiar with it. It has been followed by three other decisions of the Supreme Court construing this amendment, all in harmony with the first one, the effect of which is to destroy what has been, I was about to say, from time immemorial the law of the country controlling this subject, and to make it valid for railroad companies to limit their liability to a certain sum which may be named in the bill of lading.

Mr. SMITH of Georgia. Mr. President, I wish to suggest to the Senator that he read the title of the case and the volume, so that it may be in the Record.

Mr. CUMMINS. The title of the case is Adams Express Co. against Croniger. It is reported in volume 226 of the United States Supreme Court Reports, at page 491. I do not refer to the others, for they are of the same general tenor.

In this bill we have tried to restore to the shippers of this country not all, but a measure, of the rights which they possessed and which they exercised prior to the passage of the Carmack amendment, which inadvertently destroyed those rights. Therefore we provided that the railroad company should be liable to the lawful holder of the receipt or any other person for the full actual loss, damage, or injury caused by it—notwithstanding any limitation of liability or limitation of the amount of recovery or representation or agreement as to value in any such receipt or bill of lading, or in any contract, rule, regulation, or in any tariff filed with the Interstate Commerce Commission; and any such limitation, without respect to the manner or form in which it is sought to be made, is hereby declared to be unlawful and void.

We understood perfectly well, however, that there were instances in which certain common carriers ought to have a right to limit their liability, especially in cases in which the goods shipped were concealed by boxing or wrapping; cases in which the common carriers could not have any knowledge with regard to the character or value of the goods.

Mr. POMERENE. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Ohio?

Mr. CUMMINS. I do.



Mr. POMERENE. If I may call the Senator's attention to the language just read, the thought has occurred to me that perhaps it was not broad enough to grant the relief which is desired in this respect.

Reading from line 11, the amendment is:

For the full actual loss, damage, or injury to such property caused by it or by any common carrier.

Of course if the injury was due directly to some act or omission on the part of the railroad company, then the holder of the bill of lading could recover the loss. Suppose, however, the property which was being transported was stolen or was injured by the act of some third party, would the company be liable for such injury under the terms of this amendment?

Mr. CUMMINS. I think the carrier would be liable if the damage came through any failure on its part to exercise that degree of care or that caution which the law imposes upon the common carrier. It was not the purpose, of course, in this amendment to either enlarge or diminish the care which the common carrier must bestow upon goods committed to its possession, or, in other words, to change its liability as an insurer.

Mr. POMERENE. I am quite sure it was not the intention of the draftsman to limit that rule, but I was fearful that the language employed was not broad enough to cover it.

Mr. CUMMINS. If the Senator has an amendment that will cover it I will be glad to have him present it.

I was about to say, in cases where goods so offered to a common carrier are hidden or boxed it is impossible for the carrier to know what it is receiving. So we all thought, and I am sure you will all think, that it would be fair and reasonable for the carrier to stipulate a limitation upon its liability.

Mr. WARREN. Mr. President—

Mr. CUMMINS. In just a moment. The other contingency is if express authorization has been heretofore granted or shall be hereafter granted by the Interstate Commerce Commission then this prohibition against limitation of recovery does not apply. That exception, however, does not apply to ordinary live stock.

Mr. WARREN. Right there—the provision in line 22 on page 3 is a little blind to me. After the exception as to ordinary live stock, it goes on and speaks of property hidden from view by wrapping, boxing, and so forth. Is that exception intended to be made to cover ordinary live stock only and differentiate it from all other shipments of every nature? And does it prevent the practice prevalent heretofore in the shipment of live stock?

Mr. REED. Mr. President, it is impossible to hear the Senator from Wyoming.

Mr. CUMMINS. That is just what it is made to cover. That is the object of the bill. It will cover other things; but the real necessity for the bill arises from the impositions that are now being practiced by the common carriers upon the shippers and owners of live stock in this country.

Mr. WARREN. What I want to get at is this: When the bill passes, in what relation are the shippers of live stock and the railroads? Do they then operate under an agreed value of the live stock, and does that value cover any damage or loss?

Mr. CUMMINS. They do not. The very purpose of the bill is to prohibit the agreement with regard to a release of value to a certain point. That is to say, taking our State, our ordinary cattle, we will say, are worth \$100 or \$120 a head. They are now released, under the practice of the railroad company, to thirty or forty or fifty dollars a head, and when anything happens to them the shipper must accept his indemnity or his damages based upon this released value, or diminished value. The purpose is to put an end to that practice. It began since 1906, and it ought not to continue.

Mr. WARREN. In this proposed amendment of the law the language reads as follows:

*Provided, however, That, except as to ordinary live stock, if such property so offered and received for transportation is hidden from view by wrapping, boxing, or by other means, or if express authorization has been heretofore granted or shall be hereafter granted by the Interstate Commerce Commission—*

*And so forth.*

I do not quite see how that exception is grouped with the property hidden from view by wrapping, boxing, and so forth.

Mr. CUMMINS. Suppose I bring to an express company a watch, and it is in a box. So the express company does not know—

Mr. WARREN. That part I understand perfectly, but not the regulation as to live stock where it says "except as to ordinary live stock."

Mr. CUMMINS. Of course, the latter part of that clause contains two things: First, if the goods shall be hidden from

view by wrapping or boxing. That, of course, does not touch live stock.

Or if express authorization has been heretofore granted, or shall be hereafter granted, by the Interstate Commerce Commission for the establishment and maintenance of rates for the transportation thereof dependent upon the value of the property shipped.

Mr. WARREN. Why make an exception as to live stock? The Interstate Commerce Commission will still have the power to permit higher rates on live-stock transportation if insurance and higher risk rates or values are insisted upon.

Mr. CUMMINS. It does not permit the Interstate Commerce Commission to make a rate upon live stock dependent upon value; that is, ordinary live stock I am speaking of.

Mr. WARREN. Then that exception is to retain and reserve from the Interstate Commerce Commission power to make rules or directions as to the shipment of live stock only, while allowing it to cover every other commodity or shipment of every nature. I see no good reason for that.

Mr. CUMMINS. That is the purpose.

Mr. NELSON. Will the Senator from Iowa yield to me?

Mr. CUMMINS. I yield.

Mr. NELSON. It seems to me that great danger lurks in the words in italics at the top of page 4:

*Or if express authorization has been heretofore granted, or shall be hereafter granted, by the Interstate Commerce Commission for the establishment and maintenance of rates for the transportation thereof dependent upon the value of the property shipped, as stated in writing by the consignor, and reference given in the rate schedule to such authorization.*

If you will study this language carefully, you will find it authorizes the Interstate Commerce Commission practically to establish, in the case of each commodity, two special rates, one flat rate where there is an unconditional liability for loss or damage, and another rate by which the company can limit its liability. This is broad enough to cover everything but live stock; so that the Interstate Commerce Commission may, in respect to any commodity, establish two rates, and say that for such a rate there is unlimited liability, and for such a lower rate you can limit your liability by the bill of lading.

It seems to me that this is extending the right of the Interstate Commerce Commission to an unlimited extent. We know how it works in actual practice. A man comes to the railroad company to ship a certain commodity. He is handed a bill of lading, and he signs it, oftentimes without reading it. It may be a limited-liability bill; and the man wakes up when the loss or damage occurs to find out that he can only collect a limited amount of the damage sustained.

I think it is a most dangerous power to confer upon the Interstate Commerce Commission, and that there ought not to be in any case any right to relieve themselves from liability.

Mr. CUMMINS. What the Senator from Minnesota has said is unquestionably true. The thing he overlooks is that the Interstate Commerce Commission not only now has the power to which he refers but it has exercised the power in many instances. The Interstate Commerce Commission has made a complete schedule of rates for the express companies of the country, and those rates are based upon value. The Interstate Commerce Commission has formulated and published the receipts or bills of lading or contracts which these companies make with their shippers, and in all of them, as I am informed, there is this limitation.

It is perfectly right, Mr. President, that there should be the limitation in such cases, simply because, first, the property may be entirely hidden, and, second, because in the great markets of the country there are many large shippers of certain kinds of articles who would rather bear the risk themselves and receive from the express companies a rate correspondingly less than the rate which would be imposed if the express company became the insurer against the higher value.

Mr. REED. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Missouri?

Mr. CUMMINS. I do.

Mr. REED. I take it that the Senator from Iowa in this bill only intends to protect a railroad company or a common carrier from being mulcted in heavy damages through the loss of some package the contents of which they did not have the opportunity to know. He does not mean to exempt them simply because the goods happen to be in a box?

Mr. CUMMINS. Oh, not at all.

Mr. REED. I think this bill does that identical thing. I want to call the Senator's attention to it. My examination has been somewhat hasty, and I may be in error. Beginning at line 23, on page 3, it reads:

*That, except as to ordinary live stock, if such property so offered and received for transportation is hidden from view by wrapping, boxing, or by other means,*



The language of the bill preceding that is that there shall be a liability. Then comes the proviso which excepts certain things out of the operation of the bill. It reads:

*Provided, however, That, except as to ordinary live stock, if such property so offered and received for transportation is hidden from view by wrapping, boxing, or by other means—*

Now, omitting the other language—

Then the rule of the common law shall apply.

In other words, if it is in a box hidden from view the rule of the common law absolutely applies. But the rule of the common law also applies if the Interstate Commerce Commission shall make certain rules and regulations. So, if a man brings to a railroad a box the contents of which are not visible the rule of the common law applies and there can be no recovery in that instance if there has been a contract limiting the liability imposed upon the shipper.

Mr. CUMMINS. There—

Mr. REED. The Senator will pardon me that I may make my point plain by a further word. Now, conceding the railroad ought to be given the right to limit its liability in the event it does not know and has not the means of knowing the contents of a package, still the test ought not to be the exemption; it ought not to exist simply because a thing is in a box and hidden from view. It might be reasonable to require a disclosure by the shipper, and if the shipper failed to make known the contents or falsely stated the contents then to deny him the right of recovery, but to make the fact that the article is inclosed in a box the test seems to me not to be in accordance with what I know the Senator from Iowa honestly desires to accomplish.

Mr. CUMMINS. Mr. President, in answer to the Senator from Missouri, in these two events, namely, if the property is hidden from view or if it is expressly authorized by the Interstate Commerce Commission, the contract or rule or regulation of the common carrier is judged by the common law instead of by the statute which is here imposed. I agree that in some instances that will work injustice, but the hearings before the committee convinced us that in cities like New York, Philadelphia, Boston, and Chicago, where the express companies gather up tens of thousands, hundreds of thousands, of packages in the course of an afternoon, it would be impossible to have the express company make an inquiry of the shipper with regard to the contents of each of those packages. Indeed we had great difficulty in the committee in preserving in the bill the words "in writing." It was contended by a great many that oral representations on the part of the shipper ought to be sufficient, and I hope that because we have not gone as far as we might go the Senator from Missouri will not regard that as an obstacle to the passage of the bill, because the things that are excepted from the prohibition found here are now subject to the common law. We are in no worse case because we have not attempted to cover them all in the bill.

Mr. REED. Would the Senator from Iowa really want to present a bill in this form: The rule of the common law shall apply to everything which is inclosed in a package whether the contents of the package are known to the common carrier or not? Now, that is what this bill means, if I interpret it aright.

Mr. CUMMINS. That is what it means.

Mr. REED. In other words, the minute you put a thing in a box the railroad company can limit its liability.

Mr. KERN. You limit it.

Mr. REED. You limit it by boxing it, although it may be a thing that has to be boxed. The Senator from Indiana [Mr. KERN] says no; you limit it. That is to say, when you present it you are required to sign a contract which, as the Senator from Minnesota [Mr. NELSON] has very wisely said, is signed in ninety-nine cases out of a hundred without reading, and thereby you find that a loss has occurred through the negligence of the shipper, and because you put it in a box you have been exempted from the beneficent operations of this law.

Mr. CUMMINS. No; the Senator from Missouri is hardly fair about that. Possibly he has not observed the latter part of the amendment. It must be hidden from view.

Mr. REED. Very well.

Mr. CUMMINS. The value must be stated in writing by the consignor, and the rate must be based upon that lesser value. Those three things must concur in order to bring this exception within the rule of the common law.

Mr. REED. If it does not interrupt the Senator—I do not want to impose upon his good nature—it seems to me that the true test ought to be this: Did the common carrier know the contents of the package; not was it boxed and hidden from view, but did he know or have fair means of ascertaining the contents of the package? Now, suppose a man were to bring a

package to an express company and suppose there was an invoice of the contents of that package printed right on it, so that the company had before it as complete knowledge as it could possibly obtain if the goods had been unwrapped, surely in that case the company has not been imposed upon; and if it is just to set aside the provisions of the common law when the goods are exposed actually to view, then the provisions of the common law should not be held to obtain when full knowledge as to the contents of the package is furnished an express company. I think that the language ought to be modified.

The Senator will pardon me for making a further suggestion. It will be noticed that the language of the exception is in the alternative. The goods are excepted from the beneficent provisions of the statute if they happen to be boxed, also any goods of any character except live stock, whether boxed or unboxed, hidden from view or disclosed to view, can be excepted by the action of the Interstate Commerce Commission. I very much doubt the wisdom of that, and, frankly, I have but little patience with any limitation upon the liability of a common carrier, except such a limitation as will protect it from fraud on the part of the shipper.

Now, mark you, there can be no liability on the part of a common carrier unless the common carrier has in some way been negligent. Of course, he is practically the insurer of the goods, but he does not insure against the act of God or of the public enemy, the unprecedented storm, or anything of that kind. You bring him the goods; they are put into his care; it is his duty to deliver them; and in State after State laws have existed for many years, which have been held to be valid, which absolutely provided that there could be no limitation in a contract which would exempt the company from full liability. Recently the Supreme Court of the United States has annulled all of those statutes by the decision to which the Senator refers.

I think it would be very much wiser to provide that no company could limit its liability, except where the shipper had falsely stated the value and contents of a package. In that event it would not be fair to hold a common carrier for full value, because if a man saw fit to ship a package of diamonds worth a large sum of money and upon being interrogated by the agent of the common carrier should say that the package contained some article of trifling value, that would be, in effect, a fraud upon the company; but where the contents are known, either through the fact that they can be seen by the agent of the common carrier or where the contents are made known at the time of the shipment, it seems to me there ought to be no limit of liability.

It might be entirely proper to permit a rising scale of prices for transportation, fixed upon the value; but that scale ought to be regulated by the Interstate Commerce Commission, and not be left to the common carrier, and for this reason: A good illustration, although it is not exactly pat here, is the custom of the telegraph companies. For many years they had contracts—indeed, they have them yet, although they are not any longer enforced—saying that "This message is an unrepeatable message; if you want it repeated, it will cost one-half more; and because it is an unrepeatable message we are liable only for the price paid for transmitting the message." That contract was declared void by many of the courts of the States; but it illustrates the fact that when you give the common carrier the opportunity to make a rule by which he fixes his liability he will make the advanced charge so great, so onerous, so burdensome, that the shipper will not pay it; and if you are going to permit the common carrier to limit his liability in a contract, then the conditions upon which he can limit it ought to be very carefully fixed; otherwise we should find that the common carrier would impose every sort of injustice upon the shipper.

Mr. NELSON. Mr. President, will the Senator from Missouri yield to me?

Mr. REED. I yield gladly to the Senator from Minnesota.

Mr. NELSON. Would it not be a wiser provision to compel the shipper in every case to declare the value of the property that he ships, and then to provide that there should be no limitation beyond the declared value; in other words, require the shipper to state the value of the shipment and prohibit the common carrier from limiting his liability below that declared value?

Mr. REED. That was really the thought—

Mr. CUMMINS. That is just what is now being done.

Mr. WEST. Mr. President—

Mr. CUMMINS. If I may be permitted to make a suggestion, that is precisely the evil which we are trying to correct. A man drives his carload of steers to town to send them to Chicago from my State, and there is put before him by the railroad company a bill of lading or a contract, which contains a declaration as to the value of those steers. The shipper signs that



declaration. Of course, the declaration is well known by everybody to be false; I mean as to value. The shipper says the steers are worth \$25 or \$50 apiece; and the liability of the railroad company is limited to that amount. The shipper has no more chance to enter into an agreement with the railroad company, upon even terms than a child would have in a wrestling match with a prize fighter.

Mr. WEEKS. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Massachusetts?

Mr. CUMMINS. I yield to the Senator.

Mr. REED. I have the floor, Mr. President.

Mr. CUMMINS. I want to reply, however, to the Senator from Missouri. The subcommittee has given this matter a great deal of thought; we had long hearings upon the subject. The very thing that the Senator from Missouri thinks might be done, or ought to be done, I think is provided for here. The Interstate Commerce Commission is given authority to take certain things out of the prohibition of the statute if it grants express authority to make a rate based on value declared in writing. That is just what is done.

Let me suggest why that is necessary. Take a Kentucky race horse worth \$25,000 which is delivered to the railroad company for shipment. The railroad company will not take the horse for anything like a reasonable or payable rate unless there is an agreement with regard to the amount of recovery. If the railroad company is held to be the insurer of that animal to the extent of \$25,000, the rate becomes so high that shipment becomes impossible, and we must allow in such cases, if the Interstate Commerce Commission authorizes it, a recovery based upon declared value in order to secure a transportation rate that the shipper can pay and still accomplish his purpose.

I think if the Senator from Missouri will look further into the particular part of the amendment he is considering he will find that the very thing that he wants to accomplish is accomplished by the amendment.

Mr. REED. Mr. President—

Mr. WEEKS. Now, Mr. President—

Mr. CUMMINS. I yield to the Senator from Massachusetts.

Mr. REED. I have the floor and have not yielded it. I am willing, however, that it shall be divided up in any amicable sort of way.

Mr. WEEKS. I was on my feet to ask a question 15 minutes before the Senator from Missouri got the floor. I want to ask the Senator from Iowa, if the Senator from Missouri will permit me—

Mr. REED. Certainly.

Mr. WEEKS. To extend somewhat the example which he has just given us. What I wanted to ask was, whether there are classifications of live stock so that the shipper will pay a rate dependent upon the classification? For instance, would he pay twice as high a rate on registered stock from Iowa to Chicago as he would on other stock worth one-half the price of the registered stock?

Mr. CUMMINS. I can not quite answer the question of the Senator from Massachusetts, because the registered stock might be of high value or it might be of low value.

Mr. WEEKS. I mean assuming that it is twice the value of ordinary stock.

Mr. CUMMINS. All the railroads at this time have rates dependent on value in the shipment of live stock. The value is determined by the declaration of the shipper under the circumstances which I have just stated. If the shipper wants full value, and the value is not beyond the ordinary or common value of registered or pure-bred stock, he must pay 10 per cent or 15 per cent or 25 per cent more than the rate upon an ordinary live-stock shipment. That rate as applied to the ordinary case is prohibitive; the shipper can not pay it and do business, for, of course, the amount of it is absurdly high. It is based only on the idea that the higher rate is necessary to compensate the railway company for the increased risk; but it is greatly more than that in all the cases that I have examined. I object to it, however, as a matter of policy in ordinary shipments. The railroad companies only apply it to 10 or 12 subjects; they apply it to copper ore and iron ore, because they can not know what the value of ore is; they apply it to household goods; and they apply it to live stock. The live-stock shipments that are made under the rule established by the railroad companies, and which we seek to overturn here, I suppose, constitute 90 per cent of all the shipments that would be affected by this rule.

Mr. WEEKS. Mr. President, let me take the Senator's own example of a Kentucky horse worth \$25,000. Would an insurance company insure that horse for transportation any cheaper than would the railroad? Could it afford to do so?

Mr. CUMMINS. I have never instituted that comparison; I do not know.

Mr. REED. Mr. President, I think the difficulty here does not lie in the fact that a rising rate charge is imposed, but it lies in the fact that the railroad company being given the power to fix a rising rate uses that power in such a way as to practically force a limitation on the liability they incur; in other words, let us say the ordinary shipping rate is \$50 a car and that that is a fair rate. They hand the shipper a contract limiting the liability to one-tenth of the real value; he has the option to sign that contract or to pay \$100 a car; and by that device they force him to take the risk which the law seeks to impose upon them. That being the case, it seems to me what we ought to require is a fair disclosure of the value to the carrier. A man ought not to be barred from that disclosure by the mere fact that he has put his goods in a box; and, having required a fair disclosure, then one thing further is necessary; it should be provided in the law that the carrier in making an advanced charge on account of the value must make only a reasonable charge, a charge that will reasonably compensate him for the risk incurred above the value of the ordinary article carried; and that power to regulate the advanced charges ought to be exercised either by Congress through law or by conferring the power upon the Interstate Commerce Commission. If the Interstate Commerce Commission regulates it, then manifestly the condition the Senator from Ohio [Mr. POMERENE] speaks of would not be permitted to obtain; the carrier would not be allowed to say, "The ordinary rate for hauling cattle worth \$10 a head is \$50 a car; we will hand you a contract at \$10 a head value; but if you want to have a contract that will allow \$75 a head, the real value, then you will have to pay seven or eight times the fair rate charged." That would not do; and that being the device, the species of trickery, if you please, resorted to by these companies, it seems to me we ought to write into this bill a provision permitting the Interstate Commerce Commission to regulate the charges which shall be imposed above the value of the ordinary article shipped, and then provide that there shall be no limitation of value below that by the railroad companies.

Mr. WEST. Mr. President—

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Georgia?

Mr. REED. Certainly.

Mr. WEST. I should like to get from the Senator from Missouri the information that I sought some time ago from the Senator from Iowa. It is this: Nine hundred and ninety-nine bills of lading out of a thousand are signed by the shipper without ever reading the bill of lading. There is a contract in them. Before 1906, I know, the shipper was in no way bound by the contract; but here is the great trouble about shipping on a bill of lading: A shipper, knowing the value of what he is shipping, as the Senator says, ought to declare it. Very often, however, a shipper carries something to the depot, turns it over to the agent, and does not know the real value. He may let the agent of the company know what the article is; yet the shipper does not know the real value, and he ought not to be bound by the bill of lading which he signs in order to make the shipment.

The Senator from Iowa referred to a Pennsylvania case where a horse was shipped, and the stipulation was that the owner should not recover more than \$100. What I wanted to ascertain was whether that was a specific bill of lading or a general bill of lading that was signed in shipping the horse?

Mr. REED. I have not examined the decision, but judging from what I know of the decisions, I have no doubt that it does not make any difference whether it is what the Senator terms a specific bill of lading or a general bill of lading. The case certainly goes to the extent of holding that when a man signs a contract of shipment, that will constitute the specific contract for that particular case, though it might be a form which is handed out over the counter to every man and to which he signs his name without reading, just like a telegraph blank; when you write your message on it there is a contract printed on the back of it or at the top of it or at the bottom of it which you never read.

Mr. WEST. And which does not bind the sender of a telegram.

Mr. REED. It has been held in some States that it does bind him, but the great majority of modern decisions are the other way.

Mr. SMITH of Georgia. Mr. President—

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Georgia?

Mr. REED. I yield the floor to the Senator.

Mr. SMITH of Georgia. Mr. President, I wish to call the attention of the Senator from Iowa a little further to the com-



mittee amendment on page 3, in which provision is made for liability for "actual loss, damage, or injury to such property caused by it or by any common carrier."

I am just a little afraid that this language might change the standard of liability by the common carrier of freight. The liability is that of an insurer, with certain exceptions. A liability might exist for the common carrier although the damage was not caused by the common carrier at all, the common carrier's liability being that of an insurer, subject, as I recall, to five exceptions, the exceptions being when the injury to the freight is caused by the act of God, public enemies, acts of the public authorities, acts of the shipper, and the inherent nature of the goods.

I desire to ask the Senator if perhaps it would not be better, instead of using the term "caused by it," to use the term "transported by it," so that the standard of liability might remain that of an insurer. I do not know that "transported by it" would do. That might broaden it too greatly.

Mr. CUMMINS. I am strongly inclined to think the Senator is right, and I have no objection to that kind of an amendment; but I may be permitted to say that I am using there the precise language of the Carmack amendment. This is a revision or rewriting of that amendment. If the Senator will turn to page 2, where the present law is quoted, he will discover that this is the test:

And shall be liable to the lawful holder thereof for any loss, damage, or injury to such property caused by it or by the common carrier, railroad, or transportation company to which such property may be delivered.

I have not sought to change the law more than was necessary to reach my point.

Mr. SMITH of Georgia. Has that language received a construction by the courts holding that it continues the same degree of liability?

Mr. CUMMINS. I do not remember any case in which it has been construed.

Mr. SMITH of Georgia. I ask the question because unquestionably at common law the carrier of freight is liable for damage to freight while in its possession not caused by the carrier at all.

Mr. CUMMINS. I understand that, but I have not attempted to rewrite the whole law relating to the liability of a common carrier. I have taken the law as it is and have attempted to reach just one point. If others desire to change the law in other respects, I shall not oppose the change.

Mr. SMITH of Georgia. I should like to suggest to the Senator the change of the word "caused" to "transported," so that instead of reading "to such property caused by it" it will read "to such property transported by it."

Mr. CUMMINS. I am perfectly willing that that amendment shall be made. I think it would help the law.

Mr. WEST. Mr. President—

Mr. SMITH of Georgia. I am in full sympathy with all the Senator is seeking to do, and in perfect accord with his effort to pass this measure. I have felt for some time that it ought to be passed.

Mr. CUMMINS. In so far as I can I shall be glad to accept the amendment suggested by the Senator from Georgia.

Mr. SMITH of Georgia. I realize its importance, and I hope we will all help to see that the Senator gets a vote upon it at this session of Congress and at as early a date as possible.

The VICE PRESIDENT. The question is on reconsidering the vote whereby the amendment commencing on line 11, page 3, was agreed to.

The motion to reconsider was agreed to.

The VICE PRESIDENT. The Senator from Georgia proposes an amendment to the amendment which will be stated.

The SECRETARY. On line 12, page 3, it is proposed to strike out the word "caused" and to insert in lieu thereof the word "transported."

Mr. SUTHERLAND. Mr. President, I think the Senator from Georgia has accurately stated the rule of the common law, that the common carrier was liable as an insurer. Of course there were exceptions to that.

Mr. SMITH of Georgia. I stated the exceptions.

Mr. SUTHERLAND. I did not recall whether the Senator did or not; but at all events there are exceptions.

Mr. SMITH of Georgia. I mentioned the five exceptions.

Mr. SUTHERLAND. I did not observe the Senator.

Mr. SMITH of Georgia. The Senator simply did not hear me I added the five exceptions in my statement.

Mr. SUTHERLAND. If the Senator's amendment should be adopted, would not the effect of it be to broaden the liability of the carrier beyond the common-law liability, and to make it

liable even though the loss might be occasioned by the public enemy or by the act of God?

Mr. CUMMINS. Mr. President, may I answer that question? I do not think it would, because the purpose of this bill is to leave the liability of the carrier untouched and unaffected by any agreement for limitation growing out of a representation or agreement as to value. I do not think it will broaden the rule to which the Senator from Utah has referred. That is to say, it will not make the common carrier liable for the act of God or the public enemy.

Mr. SUTHERLAND. I had already suggested to the Senator from Iowa that I feared the language of the Carmack amendment, as well as the language of this bill, which limits the cases where the carrier shall be liable to those where the damage is caused by it, is too narrow; but I am afraid the language which the Senator from Georgia desires to write into the bill, if adopted, would be too broad. I think what we want to do here is to assert the common-law liability of the carrier. That is the purpose of the bill, as I understand.

Mr. CUMMINS. No; that is not the purpose of the bill.

Mr. SUTHERLAND. Does the Senator desire to make the railroad company more than an insurer of the goods?

Mr. CUMMINS. No.

Mr. SUTHERLAND. That is what I thought.

Mr. CUMMINS. But under the common law, as declared by the Supreme Court of the United States, there can be a limitation upon the amount of recovery upon a statement of value. I want to get rid of that part of the common law, but not the part of the common law to which the Senator from Utah has just referred, namely, that the common carrier shall not be liable in the event of injuries caused by the act of Providence or the public enemy. I do not care to increase the liability of the carrier so far as that part of the law is concerned.

Mr. SUTHERLAND. That was my understanding. I think the common carrier ought to be made liable as an insurer of the goods precisely as it was liable at common law. I do not think there ought to be any limitation upon that liability. The only question in my mind is—

Mr. O'GORMAN. Mr. President—

Mr. SUTHERLAND. Let me finish, if the Senator will pardon me. The only question in my mind is whether the introduction of the amendment suggested by the Senator from Georgia will not do more than that.

I wish to make another suggestion, also. The Senator from Georgia suggests that we write in place of the words "caused by it" the words "transported by it." If that is done, the section will then read:

That any common carrier \* \* \* shall be liable to the lawful holder of such receipt or bill of lading for the full actual loss, damage, or injury to such property transported by it or by any common carrier, railroad, or transportation company to which such property may be delivered or over whose line or lines such property may pass.

That makes the initial company not only responsible for the loss that may be occasioned, as I view it, by the acts of God or the public enemy while the property is in the hands of the initial carrier, but also liable for the same sort of loss while the goods are in the hands of some connecting company. I think if we should write into the law, instead of "caused by it," the words "suffered by it," or some such language as that it probably would cover what all of us desire.

Mr. CUMMINS. "Suffered?"

Mr. SUTHERLAND. Instead of "caused by it."

Mr. SMITH of Georgia. Mr. President, we shall not be able to act on this bill before 1 o'clock. That is perfectly evident. I suggest, therefore, that the amendment I have proposed be passed over until to-morrow without action.

My desire is to do just what the Senator from Utah indicated that he thought it was my desire to do. I do not wish to carry it any further on one side than I was afraid the language of the bill might carry it on the other side. I believe if we think it over we can put in language about which there will be no possible doubt.

I understand that the Senator from Iowa used just the language of the Carmack amendment; but now that we have the subject up, I think it would be well to put in language about which there could be no possible question. The Senator from Iowa has given us all a clear insight into the bill and just what are its purposes. We are in a position to look at it more critically to-night, and we can come back to-morrow or within a day or two, and if we have any suggestions that we think would help him perfect it, offer them. I believe there probably will be no opposition. I know of none. I do not think there ought to be any opposition.

Mr. CUMMINS. I think the Senator from Georgia is right. There is no difference between the Senator from Utah and myself. I do not desire to make the railroad companies liable



under circumstances under which they are not now liable; but, being liable, I want to make them pay the full value of the articles for which they may be responsible.

I do not, however, agree with the Senator from Utah that the word "transported" would enlarge the liability of a common carrier, inasmuch as this bill does not purport or pretend to prescribe their liability in that respect, but only their liability with regard to contracts of limitation.

Mr. President, I feel very much obliged to the Senate for its courtesy this morning; and I intend to ask to-morrow morning if it can be done without undue interruption of the tolls bill, for a continuation of its consideration. Meanwhile I ask that my resolution may be passed over without prejudice.

Mr. SMITH of Georgia. Whenever that resolution comes up I think it can be clearly shown that it is out of order and in violation of the rules.

Mr. CUMMINS. Very well.

Mr. SMITH of Georgia. I hope the Senator will not take any time in pressing it.

Mr. CUMMINS. I shall not take a moment so long as I can get time for the consideration of the bill.

Mr. SMITH of Georgia. I believe we all want to help the Senator to get a vote on his bill.

#### PANAMA CANAL TOLLS.

Mr. O'GORMAN. Mr. President, if there is nothing else occupying the attention of the Senate, I ask that the Panama Canal tolls bill may be laid before the Senate, in order that the Senator from California [Mr. PERKINS] may address himself to that question.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, approved August 24, 1912.

Mr. PERKINS. Mr. President, as a member of the Inter-oceanic Canals Committee it seems proper that I should state the reasons as to why I can not consistently favor the passage of the pending bill for the repeal of the tolls on coastwise vessels passing through the Panama Canal.

I supported the bill which is now a law on the statute book providing for free tolls for ships of American register engaged in coastwise trade.

I also voted for the Hay-Pauncefote treaty, believing then as now that it could not in any way interfere with our domestic commerce or barter away any rights which have been imposed for more than a hundred years.

I have attended the hearings of this committee and patiently listened to the arguments of those advocating the repeal of a law which I believe is in the interest of American shipbuilding and American seamen, and up to the present time I fail to be convinced that the action of Congress in prohibiting the granting of free tolls to vessels engaged in domestic trade would be a good economic policy, and I know of no reason yet advanced which shows that we are morally or legally called upon to repeal a law which was duly enacted after a free discussion by Congress.

It seems that we have forgotten a well-known maxim to which we have paid reverence for a long time, "be sure you are right and then go ahead" and have adopted a new creed, "go ahead, no matter whether you are right or wrong."

From a nautical standpoint this would mean a very disastrous result to navigators, and the majority of ships now engaged in coastwise trade would be lying upon the rocks of the lee shore.

No prudent navigator would think of adopting such a new regulation, for it is an elementary law that the cautious mariner keeps well in mind the three L's—that is, a sharp lookout, attention to the log showing the distance run, and the lead line showing the depth of the water under the vessel's keel.

I know of no reason why our country should depart from such a prudent course and enter upon an uncharted sea, in which are sunken rocks, thereby escaping the Scylla only to fall prey to Charybdis.

#### COMMERCE OF THE CANAL.

The trade in the Panama Canal will fall into three grand divisions, each sharply defined by its nature and by principles of regulation which are well understood and of general application among maritime nations.

It seems to me that an examination of these three divisions of trade will contribute to a clearer understanding of the duty of the Senate in the situation which is presented by the pending bill.

1. With the completion of the canal a new and better trade route will be opened between the nations of Europe and the

nations of the west coast of North and South America; between the nations of Europe and Japan and part of the coasts of China, at least as far south as Shanghai; and particularly for Great Britain with the west coast of British North America, with New Zealand, and with British possessions scattered throughout the Pacific Ocean.

2. We confidently expect as a result of the canal a large increase in the trade between the Atlantic ports of the United States with ports of the west coast of Central and South America, of Asia, and with the islands of the Pacific, and also increased trade between our ports on the Pacific and all the countries of the Old World, with possibilities of commerce between these ports and the eastern coast of South America.

3. We are assured that the interchange of commodities between our own Pacific Coast States, our Gulf States, and the States of the Atlantic, and of the States which do not lie directly on the seaboard, will receive a great impetus from the reduction in rates of transportation made possible by the substitution of water routes for all-rail routes and the greater economies of water transportation.

#### COMMERCIAL ADVANTAGES TO FOREIGN NATIONS.

With the benefits to commerce which will accrue from the increased facilities for transportation between foreign nations we have no direct commercial concern.

We can contemplate with satisfaction the growth of trade between Chile and Peru, on the one side, and, on the other, England, Germany, and France, and the States of the Mediterranean, without envy and with the complacency with which all right-thinking men view the welfare and prosperity of others, in whatever part of the world it may be.

We certainly are not troubled by the fact that while nations are striving, each by all the means in its power, to develop its own foreign trade at the possible expense of other nations, we on our part have contributed to the growth of an international commerce in which we not only have no share ourselves but which possibly might have been diverted to our own shores had we been less generous and listened to the promptings of self-interest.

#### ESTIMATED TONNAGE.

The tonnage passing through the canal during the first or second year of its full operation has been roughly estimated at 10,000,000 net tons of shipping, and of this total it is estimated that practically 60 per cent will be of vessels going to and from foreign ports and never during the course of the voyage approaching nearer to the United States than the gateways of the canal.

I do not wish to be vainglorious or boasting, but I recall no instance in history where a nation has been so generous in its treatment of commercial rivals as has the United States in its prosecution of the work of the Panama Canal and in its plans for the future operation of the canal.

We have spent, or shall before long have spent, in the construction and early years of operation of the canal the sum of about \$400,000,000.

There can be no question of doubt that the canal would not have been built—certainly in our time—had not the Government of the United States assumed the burden.

The task has been colossal, and could have been carried to success only by a great power; and this fact is appreciated nowhere else. I venture to say, more thoroughly than at the great maritime centers of the Old World.

#### THE CANAL NOT A MONEY MAKER.

The canal, too, from its very nature, can not be a money-making enterprise, and in this respect it must be sharply distinguished from the other similar great trade route, the Suez Canal.

The acquisition of the majority of shares of the Suez Canal by the British Government was rightly considered one of the great triumphs of Lord Beaconsfield's diplomacy—not merely for the political interests which it gave England in the canal and in the future of Egypt, but also because it was a good investment. A sure return of about 20 per cent per annum with a necessary trade route between Europe and Asia as security, the neutrality of which is guaranteed by the great powers of Europe, I need scarcely say is a particularly sagacious investment.

All the conditions of our investment in the Panama Canal make it perfectly clear that long before we shall be able to meet running expenses and set apart even a modest 1 or 2 per cent as a sinking fund to liquidate the first cost of the canal, we shall be compelled to incur still further expenditures in lowering the level at the time we increase the length and width of the locks. The rate of tolls which has already been fixed is necessarily a competitive rate determined by the rate which obtains at the Suez Canal, and even the most sanguine



do not anticipate that the receipts will soon meet the necessary expenses, including those of sanitation, the military garrison, and charges entailed by the free transit of our own warships. We have voluntarily placed ourselves in a position where we propose to tax our own people annually for years to come to promote the trade between the nations of Europe on the one hand and the west coast of South America, Asia, and the islands of the Pacific on the other. If there be another such instance of commercial altruism in history I do not recall it, and if in this instance there be any discrimination, surely our discrimination has not been in our favor. Bear in mind, too, that the division of trade of which I am now speaking—the trade through the canal strictly between foreign countries in which the United States is to have no share itself—comprises more than half of the anticipated canal traffic.

#### WHICH OF THE NATIONS PROTEST?

With these indisputable facts before them, which of the nations of the world protests that we have been unfair and are seeking for ourselves selfish gain from a project which from its very inception in the time of Henry Clay we have all proclaimed should be for the benefit of mankind? Certainly not the ally of our earlier years as a nation struggling for independence, our old-time friend, France. The work which she undertook on the Isthmus and failed to carry through we have assumed and brought to the verge of successful completion.

Where Ferdinand de Lesseps—disheartened by lack of funds, by want of popular confidence, by the ravages of disease, and by stupendous engineering obstacles—was forced to surrender, there the work was taken up, backed by the unlimited resources of the Government of the United States, protected by sanitary conditions the best which modern medical science could devise, and directed by as fine a body of engineers as was ever assembled, and carried to completion by Col. George W. Goethals.

It seems to me that the French Republic should hesitate before protesting against our action, and if there be any such protest it certainly has not come to my knowledge, whatever may be the knowledge in the possession of other Members of the Senate.

Can it be possible that a protest has come from Germany, keen to push her commerce to all parts of the world and already a formidable competitor with England for the commercial mastery of the seas?

German maritime enterprise has already established its steamship lines all around the two Americas and the canal. To these German lines, by economy of time and coal and all the factors of expense dependent thereon, the canal offers the opportunity for a large expansion of trade that will add to the prestige of the German merchant flag. If there has been any protest from the German Government or from the German steamship lines against our legislation, it has not, so far as I am aware, come to the notice of the Senate.

#### GREAT BRITAIN PROTESTS.

The only protest from foreign Governments of which the Senate has knowledge is the protest of the British Government, and British ships do more than half of the world's ocean carrying trade.

It has been intimated during the discussions on the pending bill that the British protest and this measure had their origin in the notion that in some way or other our good neighbor to the north, the Dominion of Canada, and particularly the great Provinces of British Columbia and Alberta, and Saskatchewan, of the Pacific hinterland, would be adversely affected by free tolls for American ships in the coastwise trade.

#### ADVANTAGES OF THE CANAL TO CANADA.

Senators may be surprised at the statement that for last year the gain to the farmers of Alberta alone in diminished freight rates, had the Panama Canal been open to trade, would have amounted to \$20,000,000, and that in the not remote future, for which harbor and dock facilities are already being completed by our northern friends, the canal will be a free gift to the Provinces of Alberta and Saskatchewan estimated at \$200,000,000 a year. These estimates are not mine, nor do I envy the Dominion the great period of development which awaits her to the north of my home on the Pacific.

I mention these facts as a reason for my reluctance to believe that the people of Canada put forth any claim that in the construction of the Panama Canal and the legislation to provide for its administration the Congress of the United States has not acted fairly and with a liberality of which it is hard to find any parallel.

The figures I have given are from an address delivered in London less than a month ago before the members of the Royal Colonial Institute, in the formation of which the late Cecil

Rhodes and other British Empire builders participated in order to create an agency for the promotion of imperial policies.

"In urging upon the institute the important work being carried out by the Vancouver Dock Extension Co., with its proposed 25 miles of docks and 14 square miles of area, connecting with every great railroad coming into Vancouver and every steamship sailing from that port, Mr. F. B. Vrooman, a well-known authority on the commercial and industrial development of Canada, said that so profound was the change to be wrought in Canada that the Panama Canal was already throwing up across the Dominion a new economical divide. This meant that soon the movements on the new Pacific would draw two-thirds of the surplus resources of the Dominion toward it.

"Two-thirds of the future products of Canada were destined to be tributary to the western sea. The all-rail transcontinental haul for the products of western Canada would soon be a thing of the past. Were the capacity of the railroads equal to Canada's growing needs, the single element of cost would be enough to drive so much of Canada's traffic from eastward to westward that it would change the economic equilibrium of Canada itself.

"It must be remembered that the actual cash value of the Panama Canal to the prairie farmer of Canada accrues not only to the export grain—indeed, not to grain alone—but to every commodity, export or import, of mine, factory, forest, and farm, whose cost of freight into or out of or within the country would be reduced by the Panama highway.

#### WEST CANADIAN GRAIN RATES LOWERED.

"Grain rates from Vancouver to Liverpool via Panama would be less than half the rate from Albertan points to Vancouver.

"What did this mean? It meant that the Panama Canal would put an Alberta farmer in the summer about 7 cents a bushel nearer Liverpool, and in the winter 15 cents a bushel nearer Liverpool. Average this, and state it in round numbers, and it meant that the Panama Canal henceforth would add 10 cents a bushel to the value of every bushel of grain to be grown in Alberta. They could approximate the saving for the western half of Saskatchewan at 4 cents, and that for Alberta at 10 cents the year round. They had in all of Alberta and half of Saskatchewan something like 300,000,000 bushels of grain. Bring one train an hour into Vancouver and it would take two years to bring the grain crop of 1912 from all of Alberta and half of Saskatchewan to the docks of Vancouver.

"It was needless to say that it would take very different dock and harbor facilities in Vancouver from what they have there now to handle even 5 per cent of the grain traffic, to say nothing of the other export products and the volume of trade due from the new Pacific to the Canadian continent.

"Let them look ahead to the time when 60 per cent instead of 6 per cent of Alberta and Saskatchewan was under crop. That time was not far distant. That time must be provided for by railway facilities through the continent and by dock and harbor facilities at the port of transshipment. If Alberta and Saskatchewan produced, at a round estimate, 130,000,000 bushels of wheat alone in 1913, all of which would lie well on the Pacific economic slope, such a time as he referred to would easily see 1,300,000,000 bushels of wheat per annum. They would have 60,000 trainloads of wheat to get into the elevators of Vancouver and to transport again on Pacific ships. Bringing in a train every 30 minutes, it would take four years to get one year's crop into Vancouver and unload it, and they would have waiting around somewhere on the side tracks something like 800 trains more for the next year. In other words, to handle such a crop it would require railway and terminal facilities for a trainload of wheat about every 7 minutes in the elevators and docks of Vancouver.

"It meant that had the canal been finished and had there been proper dock and harbor facilities at Vancouver to handle it this canal would have given a clear gain to the farmers of Alberta alone of about \$4,000,000 on the crop of 1912. It was easy to see not far hence for the farmers of Alberta and Saskatchewan a free gift from this canal of something in the neighborhood of \$50,000,000 a year in freight rates saved."

#### ANTICIPATED TRAFFIC OF THE CANAL.

In stating that more than half of the anticipated traffic of the Panama Canal would be trade strictly between foreign countries in which the United States is to have no share, I had in mind especially the exchange of imports and exports between nations by which nations parties to the exchange thrive; by which their lines of productive activity give employment to their labor and capital, increase and prosperity to their inhabitants, with all the gain in moral, mental, and physical well-being which comes to a nation whose people are steadily and happily employed—I had these things in mind at the moment rather than the carrying trade—the ships by which this exchange is



effected and the national colors which those ships will display. To my regret, in the carrying trade to be opened by the Panama Canal between the west coast of South America, for example, and the Continent of Europe, the United States will also have no part. The lion's share of that carrying trade, under existing conditions, will be conducted by British ships.

I do not intend to burden the Senate with any statistics, nor is it my purpose to quote from the voluminous correspondence relating to the Panama Canal. In the many able speeches which have been made in both branches of Congress, and from all points of view during the discussion of the last few years, such information has already been fully set forth, and I could merely add one more interpretation or construction of official correspondence to the many already before the Senate. I would, however, ask your attention to one very simple computation. The first cost of the canal with its accessories and of operation during its first year will be in the neighborhood of \$400,000,000.

Over one-half of the anticipated trade through the canal will be, as I have stated, trade strictly between foreign countries, in which the United States is to have no share. So, over \$200,000,000 of our investment we may set down to pure philanthropy from the strictly commercial point of view. Of this trade between foreign nations one-half, at least, and probably more, will be carried on in British ships, so that of our outlay of \$400,000,000, the immediate and undisputable beneficiary, at least to the extent of \$100,000,000, will be ships under the red ensign.

I wish here and now distinctly to disclaim any hostility against England or any desire to bring into this discussion any considerations which in any way would violate the warning of Washington, in his Farewell Address, against "permanent inveterate antipathies against particular nations and passionate attachments for others."

In all our differences and discussions with England which have come under my notice—the Alaska boundary controversy, also fisheries limitation treaties and other treaties covering disputed questions, and as a Member of the Senate, and especially as a member of the committees which have had to deal with these differences and disputes—I have found the representatives of the British Government fair men, moderate in the presentation of the views of their Government and animated by the desire to secure an amicable and just settlement of differences which necessarily from time to time arise in the relations of neighboring nations.

#### IMMEDIATE GAIN TO GREAT BRITAIN OF \$100,000,000.

The immediate beneficiary of \$100,000,000 of our investment will be British ships engaged through the canal in trade between countries foreign to us.

In 1875 Great Britain paid £4,000,000, say \$20,000,000, for its immense block of shares in the Suez Canal, which up to that time had cost much less than \$100,000,000. It does not seem to me, therefore, quite in accord with the fitness of things that the British Government should allege undue discrimination on the part of the United States in its own favor in the legislation which we have enacted.

I have, of course, read the notes in which the British Government has expressed its views, and I find in them none of the vehement denunciation, none of the imputations of bad faith and national dishonor, no trace of the passionate insistence that one side in this controversy is altogether right and the other side is altogether wrong which have characterized the discussion on the subject at times in Congress, and even more the discussions in the public press. I find in these notes a candid, straightforward recognition of the fact that there is a difference of opinion as to the construction in actual administration to be put upon certain phrases in the Hay-Pauncefote treaty.

We have all along been aware of such differences, and it seems to me that we should be very cautious before we put ourselves irretrievably in the attitude of affirming that we are altogether right or altogether wrong.

In the general division of the Panama Canal trade which we have thus far considered—namely, the exchange of imports and exports exclusively between foreign nations, carried exclusively in foreign ships, and constituting, as estimated, over one-half of the business of the canal—we have more than met all the obligations of the broadest humanity.

#### THE UNITED STATES HAS PUT \$400,000,000 IN THE CANAL.

We have invested over \$400,000,000 for that purpose, and we have fixed a rate of tolls so low as to fall short of the estimated expenses of operating the canal and all its appurtenances, the maintenance of the necessary armed force, and proper sanitation, without any provision for a sinking fund to meet the original obligation.

This is a splendid gift to mankind.

#### COMMERCIAL ADVANTAGES.

The second great division of trade through the canal will be the trade between the Atlantic and Gulf ports of the United States and foreign ports in the Pacific Ocean, and trade between the ports of our Pacific States, Alaska, and Hawaii and foreign ports on the Atlantic.

This trade has been roughly computed at about 35 per cent of the anticipated trade through the canal, measured by the tonnage of ships passing through the locks.

In all the benefits that accrue from the exchange of imports and exports between nations the United States will share so far as this branch of trade is concerned. And how has the canal legislation treated it? On terms of absolute equality with no discrimination as between other nations or as between other nations and ourselves. Congress, in enacting the canal legislation, has treated this branch of trade precisely in accord with the principle of maritime reciprocity which has been the guiding principle of our commercial and maritime policy for a hundred years and is identical with the maritime policy of the world.

#### THE TARIFF IN RELATION TO THE CANAL.

This is not the time to enter into a discussion of the merits or demerits of the policy of discriminating duties, imposts, or other charges, but I can not refrain from suggesting that the paragraph in the recent tariff act proposing a discriminating reduction in the duties on cargoes brought in American ships furnished much better ground for protest than does the Panama Canal act of 1912, and that a rare opportunity to affirm the sanctity of treaty obligations was lost when the House of Representatives passed unhindered a section so plainly in violation of treaty obligations that the Senate with little discussion speedily sought to correct it.

Subsection 7 of paragraph J of section 4 of the Underwood-Simmons tariff provides:

J. Subsection 7. That a discount of 5 per cent on all duties imposed by this act shall be allowed on such goods, wares, and merchandise as shall be imported in vessels admitted to registration under the laws of the United States: *Provided*, That nothing in this subsection shall be construed as to abrogate or in any manner impair or affect the provisions of any treaty concluded between the United States and any foreign nation.

Unlike the Panama Canal legislation which is under review in the present discussion, this section of the tariff law owes its existence entirely to the responsible political majority in both branches of Congress and to the national administration which was consulted in the preparation of the Underwood tariff. I presume that the subsection was intended to be a fulfillment of the following plank in the Democratic national platform:

Merchant marine: We believe in fostering by constitutional regulation of commerce the growth of a merchant marine, which shall develop and strengthen the commercial ties which bind us to our sister Republics to the south, but without imposing additional burdens upon the people and without bounties or subsidies from the Public Treasury.

Whether this plank is a "little plank" or a big plank, whether its meaning was understood at the time or was not understood by those who voted for it, and whether it will be necessary to take another poll of the delegates to the Baltimore convention to find out whether this plank should be lived up to or abandoned, I am not in a position to state. This much, however, is a matter of public knowledge. The Attorney General has held that the subsection consists of mere words—of sound and nothing further. In brief his ruling is:

The 5 per cent discount to American vessels only, which was the primary object of the subsection, can not be given without impairing the stipulation of existing treaties between the United States and various other powers, and consequently the subsection, by the express terms of the proviso, is inoperative.

The Secretary of the Treasury, accordingly, has declined to enforce this part of the act.

The Board of United States General Appraisers, which is equally with the Secretary of the Treasury and the Attorney General a part of the responsible administration and is charged, I believe, specifically with the administrative decision of matters relating to the tariff, over a month ago decided as follows:

We conclude that subsection 7 of paragraph J of section 4, tariff act of 1913, should be enforced according to its letter.

That dutiable goods imported in vessels admitted to registration under the laws of the United States should be conceded a 5 per cent discount from the duties provided for in the other parts of the statute.

That the most-favored-nation clauses in treaties with foreign countries are not applicable to the questions at issue here, as subsection 7 does not extend any special favor to any particular country, but is an offer or promise by the United States to importers, wherever residing, for the benefit of American shipping, with incidental benefits to the importer; that it is not gratuitously given in any sense of the word, but is in consideration of the necessary trouble and expense incumbent upon the shipper who selects American vessels, and the enforcement of the law does not abrogate or in any manner impair or affect the provisions of any treaty.

That the more specific commercial treaties here in question are not self-executing; they are executory; and the question of their application is a political one and not within the jurisdiction of the courts.



There can be no doubt whatever that should this ruling of the Board of General Appraisers be enforced by the Treasury Department protests of discrimination would be filed by all the great maritime nations with which we are in treaty relations.

#### OUR FOREIGN RELATIONS.

The subject covered by this paragraph of the tariff has to do exclusively with foreign trade and foreign relations. I am at a loss to understand, therefore, why those who are keen for our scrupulous regard for our international promises—and in that regard I yield to no one—should have begun with a matter involving solely our coastwise trade, which to the minds of many of us appears to be a purely domestic concern. Before them is a larger matter of foreign trade involving indisputably our commercial relations with foreign powers which have been regulated for nearly a hundred years by treaty in accord with a uniform policy of maritime reciprocity. This issue is squarely before the national administration and the responsible majority in Congress. Has Congress been asked to repeal this section? Has a choice been made between the attitude of one part of the administration that the section is an empty and meaningless jumble of words put forth in the hope that it would delude men into the belief that the Baltimore convention platform had been fulfilled, and the attitude of another part of the administration that we are at entire liberty in the face of 30 treaties to discriminate in favor of American ships "in consideration of the necessary trouble and expense incumbent upon the shipper who selects American vessels"?

#### THE BALTIMORE PLATFORM.

I have profound respect for the President of the United States and for the Senators who are ably supporting his views and reaffirming their own views on the subject of the Panama Canal toll legislation, enacted with the approval of the last national administration, but I must confess that they seem to me to be "straining at a gnat and swallowing a camel" so long as the discriminating duty provision in subsection 7 of paragraph J of section 4 of the Underwood tariff remains on the statute books. If that section is a jumble of words, let it be repealed and take its place with the other discarded lumber of the Baltimore platform. If, on the other hand, the section is real, vital law, "fostering by constitutional regulation of commerce the growth of a merchant marine," then let it be enforced. If it is not enforced because the administration believes that its enforcement would violate 20 treaties or more, and with real reason give offense to those nations with whom we wish to maintain friendly intercourse, then let us have a frank avowal of the fact, and a prompt repeal of the subsection would follow without admonition from the President. At all events, it strikes me that it would be more seemly before we remove the "mote" in the Panama Canal act of 1912 to extract the "beam" from the Underwood-Simmons tariff measure.

#### THE DISAPPEARING AMERICAN MERCHANT MARINE.

Sixty-one years ago, in the summer of 1853, I was a sailor boy at \$7 a month on board the square-rigged American ship *Golden Eagle*, loaded with cotton from New Orleans, in the harbor of Havre, France.

The *Golden Eagle* was built at Kennebunkport, in my native State of Maine, and I can assure you she was a sailing ship of which the American of that day or of this might well have been proud. I recall that at that time there lay in that great French harbor docks 12 full-rigged American ships, loaded not only with the products of our own country, but some of them with the products of the remote parts of the world. There were but two British ships in the harbor at that time, and it is pleasant for me to recall that a favorite air of the military bands of this great French seaport was the Star-Spangled Banner, played in honor of the kind of ships and the sort of men with which the United States was conducting its commerce with our sister Republic. Before I was 18 years old I had made six voyages to Europe and one to California around Cape Horn on merchant ships flying the American flag. During my lifetime I have been closely identified with the American merchant marine in every capacity from that of a cabin boy and seaman on the sailing ships of years ago to a part owner in a considerable fleet of American steamships on the Pacific coast.

Lest some one outside the walls of the Senate Chamber may think that in my words and vote on this bill I am moved by personal interests, I take the liberty of stating that before I came to Congress, 21 years ago, I divorced myself from all business interests which could in any way be affected by congressional legislation, excepting that general legislation which relates to the whole country. My interest in the subject of the merchant marine, however, is unabated. In my own experience I have come to realize the value of a merchant marine in the promotion of foreign trade, and more particularly its inestimable

value to the Nation as an element of the national defense in time of war.

#### THE LOYALTY OF THE AMERICAN MERCHANT MARINE.

In every war in which the United States has participated during my lifetime the American merchant marine, ships and sailors, have filled an honorable and necessary part, and it is with profound regret and sorrow that from time to time during the discussion of the pending bill I have heard shipowners denounced in terms which in my young manhood would not have been applied to the most hardened lawbreaker.

I have heard men denounced as parasites and leeches on the Public Treasury whom we all know risk their capital and devote their best energies of mind and body to the prosecution of ventures on the sea which have helped to give us the commerce that renders profitable all form of industrial enterprise and labor at home. To these very men in time of emergency the Nation has always turned first for help and met with prompt and generous response.

I have seen the time when the United States was a close second to Great Britain—so close that the race was neck and neck between us for the title of "Mistress of the Seas."

I shall not enter into an examination at this time of the causes which for the past few decades have made us a laggard in the race and have transferred easily to our rival the title for which we once fairly competed. It was my national pride and glory then to see the American flag flying in foreign ports; but now, to my profound sorrow, our flag is now hardly found or seen in any foreign port.

I have seen it gradually disappear, first from the remote ports, then from those nearer at home, until to-day, as Senators are well aware, our flag is seldom seen abroad, and American ships are engaged almost exclusively in the coastwise trade.

#### COASTWISE TRADE RESERVED TO THE UNITED STATES UNDER OUR NAVIGATION LAWS.

The coastwise trade of the United States for a century has been reserved to American vessels. This fundamental principle of our economic system has been known to other maritime nations for generations. In fact, I doubt if we have any other rule of conduct which is so generally known abroad as is this rule. It is as well understood in London and Hamburg as in Washington that the carrying trade of the United States from the Atlantic to the Pacific coast can be conducted only in vessels of the United States, whether the route be around Cape Horn, through the Straits of Magellan, or through the Panama Canal.

The principle of the reservation of the coasting trade was established by the fathers of the Republic, Jefferson and Madison, as well as Franklin and Hamilton, and up to the present time the wisdom of that policy has not been disputed.

I now, however, note with regret that the author of the pending Panama Canal toll bill in the other branch of Congress has introduced a measure to open our coasting trade to foreign vessels, and it may perhaps be that the bill before us is the first step in a policy subversive of all our maritime traditions. The pending bill is certainly in conflict with one of our most firmly established commercial principles. I had always believed until the last few months that the unrestricted commerce between the States was a cardinal principle of our economic faith.

If I have read history correctly, the removal of charges upon and impediments to the navigation of the Potomac between the Colonies of Maryland and Virginia was one of the prime causes for the meeting of the Annapolis convention which was the first step toward the union of the Colonies, the Declaration of Independence, and the establishment of the United States of America.

Certainly for 30 years Congress has made it perfectly clear that—

no tolls or operating charges whatever shall be levied upon or collected from any vessel, dredge, or other water craft for passing through any lock, canal, canalized river, or other work for the use and benefit of navigation, now belonging to the United States or that may hereafter be acquired or constructed.

There are none left in Congress of those who voted for this measure in 1884, but I venture the suggestion that the late John G. Carlisle, who presided over the House of Representatives which passed this measure, and the late Allen G. Thurman, who was a member of the Senate which concurred in enacting it—to call to the minds of our latter-day exponents of Democracy the names of only two leaders who really understood and lived up to the traditional principles of their party—it would be a surprise to these men, I say, could they be told, as we are being told, that freedom of navigation between the States is another name for wholesale subsidy to shipping and is inconsistent with the principles of the Democratic Party.

The great State of New York a generation ago abolished the tolls on the Erie Canal, and a few years ago voted upwards of a hundred million dollars for the improvement of that waterway. Would anything be more fantastic—to use no stronger



word—than to assert seriously that by these two great acts of her people and her legislature the State of New York aimed to give subsidies to the owners and captains of her canal boats and to raid the State treasury and rob the people for the benefit of the few who chanced to have put their money in these humble craft?

#### FREE TOLLS NOT A SUBSIDY.

The passage of American ships in commerce between the States from New York to San Francisco through the Panama Canal free of tolls is no more a subsidy, to my way of thinking, than the passage of less pretentious vessels from New York to Cleveland or Chicago free of tolls through the Erie Canal.

The fundamental rule in each case is the same, that the commerce between the States by right ought to be free from Federal taxation or charges, save only when the necessities of war require Congress to push the taxing power to its furthestmost limits.

This well-established principle of freedom of intercourse between the States has been challenged during the discussion of the pending measure, and I am not certain that the responsible majority in its desire to do things differently from the way in which they always have been done will not use the pending bill as the first step in the policy of erecting national tollgates on all navigable rivers and canals which have received the favorable attention of Congress.

The charge of subsidy to shipping business seems to me without force or effect for the reason that there is no single track between any of the ports of the United States bordering on the ocean, and anyone can build and operate a vessel without restriction, engage in the coastwise and ocean trade, and go where he pleases.

If it is called a subsidy by the shipping interests, then it seems to me equally fallacious as vessels that are built in American shipyards, by American mechanics who are citizens of this country or capable of becoming, give the profits to the American people rather than to foreign people; also money expended in this country for labor and raw material used in the construction of American ships help to build up the industries of this country rather than foreign industrial activity.

These ships in this country also pay a city, county, and State tax, and assessments in some form are levied by most States on this kind of property, New York being the exception by exempting American vessels engaged in domestic and foreign trade from direct taxation as property.

Wages paid to sailors and officers on ships flying the American flag are nearly double those paid on foreign ships. For the same reason, because of higher wages paid to American mechanics, the cost of building a ship in this country is approximately one-third more than anywhere else in the world.

Of course, ships flying under foreign colors pay nothing to this country in the way of taxes, and come from foreign ports to the ports of the United States, and in no way help to decrease the burden of taxation of this country.

The charge that this subsidy is a huge monopoly and trust in vessels engaged in the coastwise trade by those advocating the repeal of free tolls shows that they have given but little consideration to this measure, for the reason that railroads which have a monopoly have paid by far a better rate of interest on investments than companies who have shipping interests and who have paid but a fair rate on the capital invested, the hazard of loss being very great.

I have endeavored to show how meaningless is the use of the word "subsidy" in the discussion of the bill before us, but that word has no terrors for me or for the people of the State of California, whose future lies on the sea.

The policy of subsidies is consistently followed by the maritime nations of the world mainly for military and postal services, and I have no doubt in time that the United States will give up its rule of isolation and singularity in this respect, just as it changed its policy about 30 years ago and started to become a first-class naval power.

As an American, and especially interested in navigation and anything pertaining to industrial pursuits, I think that anyone giving this question the necessary attention and study will agree with me that the coastwise trade should be kept open and unrestricted to the people of our country.

I am sure the Senators who are supporting the pending bill will give respectful consideration to the recent report of the British Board of Trade to the British Parliament, showing the following subventions paid to merchant ships:

#### Austria (1910).

Mileage bounty, Austria Lloyd	\$1,030,000
State subsidies to A. Lloyd	250,000
Dalmatian service	190,000
Development of navigation	40,000
Steam navigation on Danube River	250,000

Postal subsidies	\$310,000
Reimbursement Suez Canal dues	480,000
Working and voyage subsidies to nonsubsidized navigation	1,450,000
	4,000,000

#### Hungary (1910).

Contract lines	545,000
Noncontract lines	75,000
	620,000

#### France (1910).

Construction bounties	1,800,000
Navigation bounties	5,200,000
Postal subventions	5,500,000
	12,500,000

#### Germany (1910).

Postal subsidies to North German Lloyd and German East Africa Line	1,750,000
--	-----------

#### Also:

German East Africa and German Levant Line get indirect bounties in form of largely reduced transportation rate on all German State railways to goods exported on through bills of lading from inland places by either line.

#### Italy (1910).

Commercial, maritime, and postal services	2,400,000
Navigation and construction bounties	1,600,000
	4,000,000

#### Japan (1911).

Extending steamship routes	5,600,000
Encouraging navigation	828,000
Encouraging shipbuilding	550,000
Training seamen	2,500
Subsidy to lifeboats	10,000
	7,000,500

#### Russia (1912).

Encouragement of mercantile marine	3,675,000
Subsidies to river steamship companies	235,000
Encouragement of shipbuilding	55,000
	3,965,000

#### Great Britain and Colonies.

Subventions and mail pay (1908)	3,320,000
Admiralty subsidy to Cunard Line (1909)	730,000
Royal naval reserves (1909)	1,755,000
Canadian subsidies and mail pay (1910)	1,580,000
Canadian fisheries bounty (1909)	160,000
Australia and New Zealand subsidies and mails (1909)	1,265,000
Cape Colony subsidy (1909)	655,000
Jamaica subsidy (1909)	195,000
	9,600,000

#### United States (1912—Act of 1891).

Mail pay (includes encouragement of commercial and naval facilities)	980,000
EXEMPTING COASTWISE VESSELS NO DISCRIMINATION AGAINST ANY NATION.	

I have endeavored to show that the opponents of this bill occupy a position fortified at every point by recognized principles of American policy, including the policy of extreme liberality in the commercial treatment of other maritime nations, while the advocates of the bill, starting with the rejection of the most recent declarations of the three national parties and their national leaders during the last presidential election, are already driven to advocate measures and theories subversive of those which have been consistently followed from the beginning of our Government.

There is no question in my mind that the Panama Canal act of 1912, by exempting our coastwise vessels from Panama Canal tolls, involved no discrimination of any kind against Great Britain or any other nation.

I well recall that during the discussion of the Hay-Pauncefote treaty in executive session the late William P. Frye, Senator from the State of Maine, than whom the Senate has never seen a more just and impartial counsellor in our foreign relations and a more devoted advocate of the merchant marine—I recall, I say, that Senator Frye in executive session distinctly took the view that the proposed amendment of my colleague, Senator Bard, of California, to the Hay-Pauncefote treaty by specifically exempting our coastwise trade in terms in the treaty was entirely unnecessary, though perhaps harmless, because foreign ships could not engage in the coasting trade from the Atlantic to the Pacific either through the Straits of Magellan or through the transisthmian canal when opened; that the question of discrimination accordingly could never arise, because this rule of our maritime conduct was as well understood abroad as at home.



## THE MEANING OF THE BRITISH PROTEST.

The British protest, as I read it, takes no other or different view. It merely expresses the fear that the principle of coastwise exemption may be so administered as to lead to discrimination against British vessels in contravention of the treaty. This fear does not involve national honor; it is not a charge of perfidy against the Congress which passed and the President who signed the Panama Canal act of 1912; it does not intimate that the national platforms and the national candidates of 1912 were lost to all sense of propriety and all understanding of the solemnity of international obligations.

This expression was merely a reasonable admonition that in the administration of the canal act officers responsible for government shall see to it that all the rights we have conceded to other nations shall be scrupulously observed and shall not be lost sight of by those charged with the control of the canal.

I must confess that the fear expressed by Sir Edward Grey and Mr. Mitchell Innes, of the British embassy, would have seemed to me more reasonable if it had been uttered after instead of before the action of the officers of the administration with reference to the discriminating-duty section of the Underwood Tariff Act.

Be that as it may, if I have read with understanding the British notes, the remedy for the situation lies in careful instructions by the President, the Secretary of the Treasury, the Secretary of War, and the Secretary of Commerce, in their respective spheres, to subordinate officers in their several departments who have to do with Panama Canal affairs and the duties of collectors of customs.

Until this remedy has been tried; until some reasonable proposition for arbitration or mediation, if there be any question to arbitrate or mediate, has been tried and has failed, the Senate should hesitate long before taking a step the ultimate consequences of which may be fraught with serious perils to the Republic.

Mr. BORAH. Mr. President, I understand that there is no Senator who desires to discuss the tolls question at this time. If there is, I will give way; but if there is not, I desire, under the protection of this measure while it is before the Senate, to perform the modest task of making a few suggestions to the President of the United States and to the Democratic Party.

It appears by the public press that we are to have no legislation at this session upon western questions, and I feel that I may properly appeal to those in charge of legislation to consider seriously the question whether such legislation should be put aside. We have been in session now for nearly two years. Some measures covering western legislation vital to the interests of the West have already been put into shape and form and passed by this body, which could be passed by the other body and become the law of the land after a few hours' consideration.

A short time, Mr. President, after the incumbent of the White House was elected he delivered an address at Chicago upon the subject of conservation, an address which met with the approval of the entire West. In the first place, it was a clear and definite statement as to the necessity of some practical legislation, and, in the second place, it seemed to suggest that legislation along practical, sane, and safe lines. As I have said, it met with the approval of all those who live in what is known as the arid-land or public-land States, or those States which are yet in the course of development where there are large areas of public lands and where the natural resources are yet to be developed. I took occasion to write the President after he delivered that address, expressing, as an humble member of the western delegation, my approval of the principles which he announced and the purposes which he foreshadowed as to his administration.

The President followed up the address, as an evidence of his good faith, by appointing as Secretary of the Interior, Franklin K. Lane, than whom no better man could have been found for the position, a western man, but thoroughly alive to the necessity of protecting the natural resources of the West against the inroads of monopoly, a man who understands the necessity of development and the pressing need of legislation in order to promote development; in other words, a man who believes that the tying up of natural resources is not conservation. There are only a few people in this country at large who still believe in that proposition.

Mr. Lane made his report on June 30, 1913, in which he outlined the purposes and policies of the administration. This report met with the entire approval of the people of the West, and it was supposed that legislation would follow within a reasonable time and that relief would be granted from a con-

dition which can not be too thoroughly discussed or too well understood.

As I have said, so far as actual legislation is concerned, nothing up to this time has been done and the situation in some respects is deplorable. I do not believe that the President understands the situation in the West or the conditions which prevail there at this time. Neither do I believe that he understands the situation here with reference to legislation upon that subject; or, otherwise, there would be an insistence upon his part that some legislation be enacted at this session.

I understand, Mr. President, that there are some kinds of legislation, or, rather, some bills covering some subjects of conservation, which would require a vast amount of time; and perhaps, in view of other matters which are pending and which are deemed to be more important—though I do not think so—we can not expect that legislation be had upon those subjects. For instance, we might concede that, so far as legislation dealing with the grazing lands in the West is concerned, that it could hardly be framed, put into shape, and passed at this session. We might concede that, so far as the power question is concerned, it would require more time than we could possibly give to it at this session; but I do want to say, Mr. President, that there is no subject before Congress of more concern and consequence, not only to the people of the West but to the entire country, than the question of the proper solution of the power problem.

There is now in process of organization and creation in this country the most gigantic combination designed to control the power possibilities of this country that we have had any knowledge of in the entire history of combinations. Men representing \$300,000,000 are behind the movement to take control; and the attitude which the Government has assumed for the last few years enables them to do so with greater prospect of success. I would not say that a law dealing with that question could be passed at this session, requiring the consideration and study that it will, but I do say that we could well afford to spend time upon the subject and, in my judgment, some other matters which will be dealt with in a superficial way could be put aside for the purpose of dealing with this matter in a substantial way.

I do not, however, rise to urge those two particular propositions. There are some measures here which we can enact after a few hours' consideration. They are measures which have been discussed. They have been hammered into shape. Committees from the House of Representatives and from the Senate, in connection with the Secretary of the Interior, have gone over them and worked them out. Some of them have passed this body, and it would only require a few hours to make them statutes; and the result would be of incalculable benefit to the people of the West, who are trying to settle up the arid lands and make homes there. Those people have disclosed great courage, a great love for homes, in taking hold of these desert lands, and we owe a duty to them, and that is to act promptly and to act efficiently.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator for just a moment?

The PRESIDING OFFICER (Mr. RANSDELL in the chair). Does the Senator from Idaho yield to the Senator from Oregon?

Mr. BORAH. I yield.

Mr. CHAMBERLAIN. The Senator referred to the conduct of the administration as having placed it in the power of these water-power monopolies to get control; and I think the Senator limited this administrative policy to the last two years, or possibly three years.

Mr. BORAH. Oh, no; I did not limit it to that.

Mr. CHAMBERLAIN. I think the Senator did not intend to convey that idea. It really dates back six or eight years.

Mr. BORAH. I did not limit it to the last two years. I said "the last few years."

Mr. CHAMBERLAIN. I did not think the Senator intended to do so.

Mr. BORAH. I did not rise to-day to assail the administration or to criticize it. I am calling attention to a condition. Wherever the chips fall they will have to fall, whether on preceding administrations or on this administration.

Mr. CHAMBERLAIN. I did not think the Senator intended to convey that idea, but from what the Senator said I rather drew the inference that he confine it to the last two or three years. I think the policy of which he speaks really dates back about eight years.

Mr. BORAH. I did not intend to confine it to this administration. I said "the last few years."

I was about to say that there are some measures here which need not take any considerable length of time. We passed



through this body some time ago an act providing for the extension of the period of time for payment upon reclamation projects. That was a measure which was earnestly recommended by the Secretary of the Interior in his exceptionally able report, to which I have already called attention heretofore in a former debate; but I want to read, if I may, a single paragraph from it. It says:

But there is one matter of great moment to these people which should be corrected by law as soon as possible.

Of course, as we do business here, and as the Government moves upon a century plan, it might be said that a year or two years or five years is "as soon as possible"; but for the man who is out upon the homestead, whose credit has been exhausted, whose title is likely to be impeached, and whose financial condition is up to the limit, "as soon as possible" does not mean a year or two. It means within a few months, or it means the forfeiture of his title and the loss of his earnings for the last five or six years. Yet, Mr. President, what the Secretary of the Interior says should be taken care of as soon as possible has been lying here in the tomb of legislation for months and months, and during all that time men have been sacrificing what has really constituted their earnings for the last several years.

I know that since the Congress of the United States has ceased to be at all active upon this question more than one homesteader in my State upon these reclamation projects has given up his all, and has undertaken to find employment at day labor or something to take care of his family.

Mr. THOMAS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Colorado?

Mr. BORAH. I yield.

Mr. THOMAS. I wish to inquire of the Senator if he does not think the Senate is in part to blame for this condition? Do we not waste more than half our time here in idle and useless discussion which might easily be obviated, and the time devoted to giving attention to the public business?

Mr. KENYON. Did the Senator say half of our time?

Mr. THOMAS. I wanted to be as moderate as possible.

[Laughter.]

Mr. KENYON. I thought the Senator's statement was rather moderate.

Mr. BORAH. I will agree to that, if the Senator did not mean a personal reflection upon the present speaker. [Laughter.]

Mr. THOMAS. On the contrary, I am quite as guilty as my colleagues of using up a good deal of time that might perhaps be devoted to useful purposes.

Mr. BORAH. Mr. President, I think these bills could be passed without any further discussion at all, in all likelihood, and that if they were brought to the attention of the Congress they would be passed without any considerable further discussion, because they have been worked out to a great extent. They have been before committees; the Secretary of the Interior and his very able assistant have had to do with them, and there is very little left to discuss. I think they are agreeable to all parties interested, but for some inconceivable reason there is no movement behind them.

I will read another line or two from the report of the Secretary of the Interior.

Mr. JONES. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Washington?

Mr. BORAH. I yield.

Mr. JONES. I simply wish to suggest in that connection that there certainly was not any unnecessary delay in the Senate in the passage of the bill to which the Senator has referred, and no particular discussion in regard to it. It was passed hurriedly, in one day.

Mr. BORAH. The Secretary says

We mistook the ability of the farmer to pay for his water rights. Ten years was the time given. His optimism and our own was too great. That time should be doubled. This should be done not alone because of the inability of many to meet their obligations to the Government, but because it will prove wise policy to give a free period within which the farmers may more fully use their farms. They can put their lands to a more profitable use, both to themselves and to the country, by being allowed to cumulate their earnings in the early years, and be thus enabled to make investments in stock and machinery which will make for larger profits later.

I feel the keenest sympathy with those upon these projects who are entering into this work of putting the desert into public service. They are genuine pioneers in a new field of work, on the success of which depends greatly the rescuing of a vast territory. The enemy of the Government and of the farmer is the land speculator. He is of two kinds. Sometimes he is a farmer who does not expect to farm, but to sell out at a higher price and go elsewhere. Generally, however, he is the holder of a large tract of private land within the project, who creates false values and burdens those who buy and attempt to farm with a load of debt which handicaps them in their efforts. Both of these are hostile to the welfare of the enterprise, and tend to destroy

the value of the service which the Government is attempting. But such matters may, I trust, be overcome by new methods of administration.

So several months ago, after a visit to the West, the Secretary of the Interior urged it; and he has not drawn the picture to its full color. So far as he has gone he is entirely accurate, but he has been modest in his statement as to the conditions which prevail there.

I say to the Congress of the United States now, and I weigh my words, that if this session ends without the passing of that bill it will be a most wrongful and unjust thing to thousands of settlers who have been invited by the Government to go upon those lands. It will work an irreparable injury to them. They never can be compensated. They will have given up all they have, and their sacrifices upon those desert places will have been made in vain.

I appeal to the Congress and to the administration in power to consider the welfare of these people, though they be but few as compared with the 90,000,000 people of the United States, and to pass this measure before this session ends. It will be not only an act of justice, but an act of humanity, and it will be an act of injustice and inhumanity if we fail to do it.

I do not know whether we shall leave here before the 1st of September or not; but no Senator sits here who could not afford to stay 30 days to relieve those men of the situation in which they find themselves.

I ask leave to insert in connection with my remarks the bill which has passed the Senate, which has had the approval of the Secretary of the Interior, which has had the approval of the Representatives of the House who met with the Secretary of the Interior, and which, so far as I know, is without objection as to its details.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Without objection, it will be so ordered.

The bill referred to is as follows:

[As reported in House of Representatives, showing committee amendments.]

(Omit the part in brackets and insert the part printed in *italics*.)

*Be it enacted, etc.*, That any person whose lands hereafter become subject to the terms and conditions of the act approved June 17, 1902, entitled "An act appropriating the receipts from the sale and disposal of public lands in certain States and Territories to the construction of irrigation works for the reclamation of arid lands," and acts amendatory thereof or supplementary thereto, hereafter to be referred to as the reclamation law, and any person who hereafter makes entry thereunder shall at the time of making water-right application or entry, as the case may be, pay into the reclamation fund [2] 5 per cent of the construction charge fixed for his land as an initial installment, and shall pay the balance of said charge in 15 annual installments, the first 5 of which shall each be 5 per cent of the construction charge and the remainder shall each be 7 per cent until the whole amount shall have been paid. The first of the annual installments shall become due and payable on December 1 of the fifth calendar year after the initial installment: *Provided*, That any water-right applicant or entryman may, if he so elects, pay the whole or any part of the construction charges owing by him within any shorter period: *Provided further*, That entry may be made whenever water is available, as announced by the Secretary of the Interior, and the initial payment be made when the charge per acre is established.

#### ACT SHALL APPLY TO EXISTING PROJECTS.

Sec. 2. That any person whose land or entry has heretofore become subject to the terms and conditions of the reclamation law shall pay the construction charge, or the portion of the construction charge remaining unpaid, in 20 annual installments, the first of which shall become due and payable on December 1 of the year in which the public notice affecting his land is issued under this act, and subsequent installments on December 1 of each year thereafter. The first 4 of such installments shall each be 2 per cent, the next 2 installments shall each be 4 per cent, and the next 14 each 6 per cent of the total construction charge or the portion of the construction charge unpaid at the beginning of such installments.

#### PENALTIES.

Sec. 3. That if any water-right applicant or entryman shall fail to pay any installment of his construction charges when due there shall be added to the amount unpaid a penalty of 1 per cent thereof, and there shall be added a like penalty of 1 per cent of the amount unpaid on the first day of each month thereafter so long as such default shall continue. If any such applicant or entryman shall be one year in default in the payment of any installment of the construction charges and penalties, or any part thereof, his water-right application, and if he be a homestead entryman his entry also, shall be subject to cancellation, and all payments made by him forfeited to the reclamation fund, but no homestead entry shall be subject to contest because of such default: *Provided*, That if the Secretary of the Interior shall so elect, he may cause suit or action to be brought for the recovery of the amount in default and penalties; but if suit or action be brought the right to declare a cancellation and forfeiture shall be suspended pending such suit or action.

#### INCREASE OF CHARGES.

Sec. 4. That no increase in the construction charges shall hereafter be made, after the same have been fixed by public notice, except by agreement between the Secretary of the Interior and a majority of the water-right applicants and entrymen to be affected by such increase, whereupon all water-right applicants and entrymen in the area proposed to be affected by the increased charge shall become subject thereto. Such increased charge shall be added to the construction charge and payment thereof distributed over the remaining unpaid installments of construction charges: *Provided*, That the Secretary of the Interior, in his discretion, may agree that such increased construction charge shall be paid in additional annual installments, each of



which shall be at least equal to the amount of the largest installment as fixed for the project by the public notice theretofore issued. And such additional installments of the increased construction charge, as so agreed upon, shall become due and payable on December 1 of each year subsequent to the year when the final installment of the construction charge under such public notice is due and payable: *Provided further*, That all such increased construction charges shall be subject to the same conditions, penalties, and suit or action as provided in section 3 of this act.

#### OPERATION AND MAINTENANCE.

SEC. 5. That in addition to the construction charge, every water-right applicant, entryman, or landowner under or upon a reclamation project shall also pay, whenever water service is available for the irrigation of his land, an operation and maintenance charge based upon the total cost of operation and maintenance of the project, or each separate unit thereof, and such charge shall be made for each acre-foot of water delivered; but each acre of irrigable land, whether irrigated or not, shall be charged with a minimum [maintenance] operation and [operation] maintenance charge based upon the charge for delivery of not less than 1 acre-foot of water: *Provided*, That, whenever any legally organized water users' association or irrigation district shall so request, the Secretary of the Interior is hereby authorized, in his discretion, to transfer to such water users' association or irrigation district the care, operation, and maintenance of all or any part of the project works, subject to such rules and regulations as he may prescribe. If the total amount of operation and maintenance charges and penalties collected for any one irrigation season on any project shall exceed the cost of operation and maintenance of the project during that irrigation season, the balance shall be applied to a reduction of the charge on the project for the next irrigation season, and any deficit incurred may likewise be added to the charge for the next irrigation season.

#### PENALTIES.

SEC. 6. That all operation and maintenance charges shall become due and payable on the date fixed for each project by the Secretary of the Interior, and if such charge is paid on or before the date when due there shall be a discount of 5 per cent of such charge; but if such charge is unpaid on the first day of the third calendar month thereafter a penalty of 1 per cent of the amount unpaid shall be added thereto, and thereafter an additional penalty of 1 per cent of the amount unpaid shall be added on the first day of each calendar month if such charge and penalties shall remain unpaid, and no water shall be delivered to the lands of any water-right applicant or entryman who shall be in arrears for more than one calendar year for the payment of any charge for operation and maintenance, or any annual construction charge and penalties. If any water-right applicant or entryman shall be one year in [default] arrears in the payment of any charge for operation and maintenance and penalties, or any part thereof, his water-right application, and if he be a homestead entryman his entry also, shall be subject to cancellation, and all payments made by him forfeited to the reclamation fund. In the discretion of the Secretary of the Interior suit or action may be brought for the amounts in default and penalties in like manner as provided in section 3 of this act.

#### FISCAL AGENT.

SEC. 7. That the Secretary of the Interior is hereby authorized, in his discretion, to designate and appoint, under such rules and regulations as he may prescribe, the legally organized water users' association or irrigation district, under any reclamation project, as the fiscal agent of the United States to collect the annual payments on the construction charge of the project and the annual charges for operation and maintenance and all penalties: *Provided*, That no water-right applicant or entryman shall be entitled to credit for any payment thus made until the same shall have been paid over to an officer designated by the Secretary of the Interior to receive the same.

#### RECLAMATION REQUIREMENTS.

SEC. 8. That the Secretary of the Interior is hereby authorized to make general rules and regulations governing the use of water in the irrigation of the lands within any project, and may require the reclamation for agricultural purposes and the cultivation of [one-fourth] one-half the irrigable area under each water-right application or entry within three full irrigation seasons after the filing of water-right application or entry, and the reclamation for agricultural purposes and the cultivation of [one-half] three-fourths the irrigable area within five full irrigation seasons after the filing of the water-right application or entry, and shall provide for continued compliance with such requirements. Failure on the part of any water-right applicant or entryman to comply with such requirements shall render his application or entry subject to cancellation.

#### LANDS NOT SUBJECT TO RECLAMATION ACT.

SEC. 9. That in all cases where application for water right for lands in private ownership or lands held under entries not subject to the reclamation law shall not be made within one year after the passage of this act, or within one year after notice issued in pursuance of section 4 of the reclamation act, in cases where such notice has not heretofore been issued, the construction charges for such land shall be increased 5 per cent each year until such application is made and an initial installment is paid.

#### WITHDRAWN LANDS SUBJECT TO ENTRY.

SEC. 10. That the act of Congress approved February 18, 1911, entitled "An act to amend section 5 of the act of Congress of June 25, 1910, entitled 'An act to authorize advances to the reclamation fund and for the issuance and disposal of certificates of indebtedness in reimbursement therefor, and for other purposes,'" be, and the same hereby is, amended so as to read as follows:

"SEC. 5. That no entry shall be hereafter made and no entryman shall be permitted to go upon lands reserved for irrigation purposes until the Secretary of the Interior shall have established the unit of acreage per entry, and water is ready to be delivered for the land in such unit or some part thereof and such fact has been announced by the Secretary of the Interior: *Provided*, That where entries made prior to June 25, 1910, have been or may be relinquished, in whole or in part, the lands so relinquished shall be subject to settlement and entry under the reclamation law."

#### WATER SERVICE.

SEC. 11. That whenever water is available and it is impracticable to apportion operation and maintenance charges as provided in section 5 of this act, the Secretary of the Interior may, prior to giving public notice of the construction charge per acre upon land under any project, furnish water to any entryman or private landowner thereunder until such notice is given, making a reasonable charge therefor, and such

charges shall be subject to the same penalties and to the provisions for cancellation and collection as herein provided for other operation and maintenance charges.

#### ADMISSION OF PRIVATE LANDOWNERS TO NEW PROJECTS.

SEC. 12. That before any contract is let or work begun for the construction of any reclamation project hereafter adopted the Secretary of the Interior shall require the owners of private lands thereunder to agree to dispose of all lands in excess of the area which he shall deem sufficient for the support of a family upon the land in question, upon such terms and at not to exceed such price as the Secretary of the Interior may designate, and if any landowner shall refuse to agree to the requirements fixed by the Secretary of the Interior, his land shall not be included within the project if adopted for construction.

#### DISPOSITION OF EXCESS FARM UNITS.

SEC. 13. That all entries under reclamation projects containing more than one farm unit shall be reduced in area and conformed to a single farm unit within two years after making proof of residence, improvement, and cultivation, or within two years after the issuance of a farm-unit plat for the project, if the same issues subsequent to the making of such proof: *Provided*, That such proof is made within four years from the date as announced by the Secretary of the Interior that water is available for delivery [to] for the land. Any entryman failing within the period herein provided to dispose of the excess of his entry above one farm unit, in the manner provided by law, and to conform his entry to a single farm unit, shall render his entry subject to cancellation as to the excess above one farm unit: *Provided*, That upon compliance with the provisions of law such entryman shall be entitled to receive a patent for that part of his entry which conforms to one farm unit as established for the project: *Provided further*, That no person shall hold by assignment more than one farm unit prior to final payment of all charges for all the land held by him subject to the reclamation law, except operation and maintenance charges not then due.

#### ACCEPTANCE OF THIS ACT.

SEC. 14. That any person whose land or entry has heretofore become subject to the reclamation law who desires to secure the benefits of the extension of the period of payments provided by this act shall, within six months after the issuance of the first public notice hereunder affecting his land or entry, notify the Secretary of the Interior, in the manner to be prescribed by said Secretary, or his acceptance of all of the terms and conditions of this act, and thereafter his lands or entry shall be subject to all of the provisions of this act.

SEC. 15. That the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

[SEC. 16. That the district court of the United States for the district where the lands, or some portion of the lands, included within any reclamation project are situated shall have jurisdiction of all suits brought by the United States or the Secretary of the Interior for the enforcement of the provisions of this act, and jurisdiction of all suits now pending or which may be hereafter instituted by any legally organized water users' association or irrigation district in behalf of the water users and settlers thereon for the enforcement of the provisions of this act and of the provisions of the reclamation law as referred to and defined in section 1 of this act.]

Mr. JONES. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Washington?

Mr. BORAH. I yield.

Mr. JONES. I fully agree with the suggestions made by the Senator as to the importance of passing this measure. I thought I would ask the Senator whether he does not feel that we would be justified, if necessary, in taking advantage of some of the opportunities we have to delay the passage of some measures that may be urged until that legislation is passed in another body?

Mr. BORAH. Mr. President, I have offered one amendment to the rivers and harbors bill covering a western subject. I am going to offer the bill which I have just asked to have printed in the Record as an amendment to the rivers and harbors bill, and I am going to offer another one covering the homestead question. I am going to test the sense of the Senate as to whether it thinks more of that kind of legislation which has come to be designated the country over as the "pork barrel" or of the interest of those who are trying to make homes in the western country. I am going to know before the session closes whether we will appropriate out of the Treasury of the United States millions of dollars, 40 or 50 per cent of which will likely be wasted before it ever gets to the place where it ought to be expended, and put aside legislation which does not cost the Government one cent in the end, but which enables the wandering settler of the West to locate himself and his family and to become an estimable citizen of this Republic.

If the Senate should come to the conclusion that it thinks more of the rivers and harbors bill than it does of that situation, I shall test the Senate upon another question, and that is whether or not it will pass the rivers and harbors bill at all.

Mr. KENYON. Mr. President, will the Senator yield to me for a question?

Mr. BORAH. I yield.

Mr. KENYON. I wish to ask the Senator whether the amendments he proposed to the rivers and harbors bill would raise the question to which he has been speaking this afternoon. As I understand, the Senator's propositions are not "pork-barrel" propositions.

Mr. BORAH. No.



Mr. KENYON. How, then, can the Senator attach them to the rivers and harbors bill? [Laughter.]

Mr. BORAH. I do not know, but I will undertake to demonstrate it when we get there.

Mr. MYERS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Montana?

Mr. BORAH. I yield.

Mr. MYERS. I wish to say that I am in hearty accord with the Senator from Idaho about the urgent necessity and justice of some legislation for the extension of time for settlers to make payments on their lands under the Government reclamation projects; but the Senator speaks of testing the Senate as between that proposition and the rivers and harbors bill. I merely desire to suggest to the Senator that the bill to which he refers, granting an extension of time for payments on land under the reclamation projects, has passed the Senate and is now in the House. The Senate has nothing to do with it. It has no choice between that and the rivers and harbors bill.

Mr. BORAH. Oh, yes; the Senate will have a vast amount to do with it before the rivers and harbors bill gets through here. It will have a vast amount to do with it.

Mr. MYERS. If the Senator means that if one bill is defeated the other must be defeated, I can see what the Senate has to do with it; but it has no choice now as to passing the law granting 20 years in which to make these payments.

Mr. BORAH. Oh, I understand that perfectly; but there is such a powerful momentum behind certain forms of legislation in the Congress of the United States that every man knows that if he wants to ride through the Congress he had better get on that particular wagon.

Mr. THORNTON. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Louisiana?

Mr. BORAH. I yield.

Mr. THORNTON. With the permission of the Senator from Idaho, I should like to ask him how long this discussion is to continue. When he rose to speak, the moment the speech of the Senator from California [Mr. PERKINS] was concluded, I supposed that, of course, he was going to address the Senate on the subject of the Panama Canal tolls bill. Otherwise I certainly should have moved that the naval appropriation bill, the pending bill, should be taken up.

I am very anxious to proceed with that bill. If we do not get through with it to-night we will not get through with it for a week. I never would have consented to the Senator taking up this time if I had not supposed he was going to speak on the subject of the Panama Canal tolls.

Mr. BORAH. Mr. President, with all due respect to my friend from Louisiana—for whom, as he knows, I have a very kindly regard—the Senator from Louisiana has nothing to do with consenting to my occupying the floor.

Mr. THORNTON. Mr. President, to that I will say that while the Senator is on the floor I can not interfere with him, but I could have objected to his speaking on any other subject except the Panama Canal tolls bill; and I should have called up that measure, which is a preference bill, if I had known the Senator was going to speak on any other subject. I am not trying to take him off his feet now, but I asked that he would give me an idea as to how much longer this discussion would continue. Before he began I spoke to him, having understood from the chairman of the Inter-oceanic Canals Committee that he wanted to speak on the subject of tolls. He told me he desired to speak about 20 minutes. He rose the very moment the Senator from California had concluded, and, of course, I supposed he was going to talk on the subject of tolls. It is well known that the naval bill comes up every day immediately after the discussion of the tolls bill.

Mr. BORAH. Mr. President, I would not inconvenience the Senator from Louisiana in passing an appropriation bill. I know how important it is to get through appropriation bills; but I wish to say to the Senator from Louisiana in all candor that if he knew the situation in the West, and the necessity of this legislation, he would not become irritated with the Senator from Idaho because he undertakes to present in a very few minutes what the Senator from Idaho deems the very unfortunate situation of the portion of the country which he has the honor in part to represent.

Mr. THORNTON. Mr. President, the situation is simply this: The naval appropriation bill is a preference bill, and had the right of way the moment the tolls bill was laid aside. I had the right to call it up, or ask that it be called up, and I think the Senate would have granted the request that it should be called up, as it has done every day heretofore.

Mr. BORAH. Mr. President, the Senator could not have kept me off the floor, although had he requested me to remain off the floor I would have done so until another hour; but had the Senator called up this bill, I should have simply addressed myself to this subject under the subject of appropriations. I wanted to discuss this matter; everything seemed quiet and calm and practically nobody was here. There were only three Senators in the Senate Chamber when I began to speak. I did not see any wild rush to discharge public business or any great agitation of mind over getting these bills through, and I thought it was a good opportunity to add a little respectability to the rivers and harbors bill by informing the Senate that I was going to offer some amendments to it.

Mr. THORNTON. Mr. President, I can only repeat what I said before. The Senator would never have spoken with my consent, and I do not believe the Senate would have agreed to allowing him to do so, if I had known that he was not going to speak on the subject of Panama Canal tolls, because he knows as well as everybody else here knows that the naval bill had the right of way the moment the Panama Canal tolls bill was out of the way.

Mr. GALLINGER. It had no right of way.

Mr. TILLMAN. Mr. President, I want to appeal to my friend from Idaho please to let us go on with the naval bill. He is so eloquent that we all like to hear him; I particularly like to hear him; but I appeal to him now to let us go on with the naval bill.

Mr. BORAH. If the Senator from South Carolina is making this a personal matter, I shall certainly yield.

Mr. TILLMAN. I do make it a personal matter. I ask the Senator to yield, as a friend of mine.

Mr. BORAH. I know the Senator from South Carolina is not in good health.

Mr. TILLMAN. I sympathize with the Senator in his desire to help his constituents out there, and perhaps I will vote with him.

Mr. BORAH. I should like to have the Senator make it a little stronger than "perhaps." [Laughter.]

Mr. President, I am going to yield on this proposition to-day, with the suggestion that when I can get on the floor without inconveniencing my colleagues I am going to continue the discussion. I want to discuss particularly an amendment to the homestead bill and for increased loan for the reclamation fund. These are the three measures which we can pass and which we should pass. I shall present the matter later. I now yield at the request of my friend from South Carolina.

Mr. O'GORMAN. I ask that the Panama Canal tolls bill may be temporarily laid aside.

Mr. THORNTON. The Senator might have said that it was laid aside practically half an hour ago, when the Senator from Idaho began to talk on conservation.

The VICE PRESIDENT. Without objection, it will be temporarily laid aside.

#### NAVAL APPROPRIATIONS.

Mr. THORNTON. I ask that the Senate resume the consideration of the naval appropriation bill.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

The SECRETARY. The pending amendment is the amendment of the committee, on page 59, after line 13, where it is proposed to insert:

A committee is hereby authorized to be appointed to consist of one member of the Committee on Naval Affairs of the Senate and one member of the Committee on Naval Affairs of the House of Representatives, to be selected by the chairmen of the respective committees, and one naval officer, to be selected by the Secretary of the Navy, to investigate and report at the next regular session of Congress upon the selection of a suitable site for the erection of an armor plant to enable the United States to manufacture its own armor plate and special-treatment steel capable of standing all ballistic and other necessary tests required for use in vessels of the Navy at the lowest possible cost to the Government, taking into consideration all of the elements necessary for the economical and successful operation of such a plant, such as the availability of labor, material, and fuel, and transportation facilities to and from said plant. Said report shall contain the cost of a site sufficient to accommodate a plant having an annual output capacity of 20,000 tons and a site for an output of 10,000 tons, and also an itemized statement of the cost of the necessary buildings, machinery, and accessories for each, and the annual cost and maintenance of each, and the estimated cost of the finished product.

Said committee is authorized to sit during the recess of Congress, to send for persons and papers, and to administer oaths.

The sum of \$5,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay the expenses of said committee and to be immediately available.

Mr. OLIVER. Mr. President, I make the point of order against this amendment that it is general legislation on an appropriation bill.



The VICE PRESIDENT. The Chair does not believe it is general legislation. It has been some time since the Chair tried to practice law, but it is his recollection that general legislation is any legislation which applies generally to the people of the United States or which applies generally to any class of citizens of the United States who may come within the purview of the legislation, or any legislation which attempts to limit, alter, or change that which has been heretofore fixed by the statutes of the United States as applying generally to departments or officers.

The Chair does not believe this amendment comes within any of those rules; but it is special in character, and applies to one particular subject.

The Chair therefore overrules the point of order.

Mr. OLIVER. Mr. President, I am not sufficiently familiar with what is known as parliamentary law or parliamentary usages to argue this proposition. Not being able to argue it, I shall not appeal from the decision of the Chair, although from what little light I have upon the subject I can not concur in the views expressed by the Vice President.

On the merits of this proposition, however, I am opposed to it, because I am opposed to extending the operations of the General Government into the domain which ought to be left to private enterprise.

As a part of my remarks I wish to send to the desk and ask to have read a letter which I received some time ago upon this very subject from one of the most eminent lawyers in the State of Pennsylvania. He is a lifelong Democrat. I might style him the nestor of the Philadelphia bar. He expresses his views upon the subject in such strong language and in such apt terms that I think what he says will express my views much better than anything I could say.

I ask that the Secretary may read the letter.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

(Personal.)

LAW OFFICES,

DICKSON, BRITLER & MCCOUCH,

750 Bullitt Building, Philadelphia, May 27, 1913.

Hon. GEORGE T. OLIVER,

United States Senate, Washington, D. C.

DEAR MR. OLIVER: You ought to be better qualified than anyone else in Washington to expose the absurdity of the proposal of the Secretary of the Navy to build an armor plant, and you would be doing a great public service if you would make a brief statement of the facts.

It is hard to understand what notion he would have of building an armor plant without undertaking to produce the steel to be used in making the plates, and the cost of a complete plant would probably prove to be nearer \$10,000,000 than \$5,000,000.

Assuming that the Navy Department was in possession of such a plant, no matter how well designed and equipped, how could it possibly run it with a shifting force of employees? To insure armor of the quality required by the department it would probably cost in the Government plant two or three times as much as if made by the three concerns which are now making it. You could easily get information as to the misdeeds which must be counted on and the incidental losses, which can, however, be put to use in the other departments of such plants. \* \* \* [Clause read subsequently omitted from the Record.]

I have no other interest in the matter than as a citizen and as a Democrat who is disgusted with the incompetency and disregard of Democratic doctrine by the people who are now usurping the name of the party which in former years deserved the respect of those who believed in its principles. The men who are now masquerading as Democrats have no more notion of the true function of the State than the Czar of Russia, and the only definite purpose which they seem to have in view is to multiply its officeholders and to intermeddle with the business of the citizen.

Truly, yours,

SAMUEL DICKSON.

Mr. KENYON. I should like to ask the Senator from Pennsylvania, Is the writer of this letter a manufacturer of armor plate or connected with the manufacture of armor?

Mr. OLIVER. Not at all. He is a lawyer, and all his life has spent his time in his law office.

Mr. KENYON. Is he employed by a manufacturer of armor plate?

Mr. OLIVER. Not to my knowledge. He wrote to me simply as a citizen of Pennsylvania writing to his representative in the Senate.

Mr. THOMAS. Mr. President, I should like to inquire of the Senator from Pennsylvania if he thinks it is proper to insert in the Record a letter which makes such a reference as this letter does to the Secretary of the Navy and also to his supporters in the Senate. It seems to me that on sober second thought the Senator will withdraw at least that part of the letter from the Record which refers to the Secretary of the Navy.

Mr. OLIVER. I should like to know to what part the Senator refers.

Mr. THOMAS. That part which refers to the Secretary of the Navy and his supporters in the Senate. It may be in ac-

cordance with the notions of a distinguished Philadelphia Democrat, but he should not make such reflections upon a portion of this body and upon the Secretary of the Navy. I certainly do not believe the Senator from Pennsylvania would approve of it.

Mr. OLIVER. I have nothing further to say, Mr. President.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. SMOOT. Mr. President, I do not rise to appeal from the decision in relation to the point of order raised against the amendment, but I wish to say that in my opinion it is legislation upon an appropriation bill, and I can not help but believe that the point of order should be sustained. I am not going to appeal from the decision of the Chair. I am not particularly interested in the item, and therefore I do not raise the question at this time.

The VICE PRESIDENT. The rule says "general legislation," not "legislation."

Mr. SMOOT. I am aware of that, but the practice of the Senate has been in the past that items of this kind, which are purely legislation and can not be classed as special legislation, have always fallen under the head of general legislation. That is as I understand it.

Mr. CHAMBERLAIN. Mr. President, I move to strike from the Record the letter which was read at the request of the Senator from Pennsylvania. I think with the Senator from Colorado [Mr. THOMAS] that it is an unjust reflection not only upon officers of the Cabinet but upon Members of the Senate as well. Further than that, I think the Senator from Pennsylvania adopted the language as his own when he said that it expressed his views better and more clearly than it would be possible for him to do himself. I do not think the letter ought to be placed in the Record at all.

Mr. THOMAS. The part of the letter to which I object, and which I think should go out—not the entire letter upon the motion of the Senator from Oregon—is the part which I have included in parentheses on page 2.

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon [Mr. CHAMBERLAIN] to strike the letter from the Record.

Mr. LEWIS. May I not offer as a substitute motion that the Senator from Pennsylvania tendering the letter be permitted to withdraw from the letter the portion which has been designated as obnoxious, and on his own motion, he having had it called to his attention?

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon to strike out the letter from the Record.

Mr. MARTINE of New Jersey. Mr. President, I would be quite as much a stickler for the dignity and respect of the Senate of the United States as anyone in this Chamber, but, after all, I think this is a good deal of a tempest in a teapot and it is perfectly harmless. The protest by this distinguished gentleman from Pennsylvania is entirely in harmony with that element that think everything the Democratic Party does is wrong. It is in harmony with the protest which was made when we started the parcel-post legislation. There came up what seemed to be a universal protest stating how the Government was running wild, that we were running into business, and all that sort of thing. When we started the proposition of appropriating \$500,000 for a powder plant in order to make a little powder the same sort of protest was made. It has been made in years past and it will continue to be made as long as time lasts. It is utterly harmless.

I do not believe that Secretary Daniels will feel one whit smaller after having seen this letter spread upon the CONGRESSIONAL RECORD than before he read it. I believe it is just spending our time for naught. I would be perfectly willing to let the protest go on. It does not hurt us, and I do not believe it dignifies and advances the distinguished man who wrote the letter or the distinguished Senator who presents it.

Mr. LEWIS. But, Mr. President, upon the motion made to strike out this document from the Record I have this observation to make: I regard the general tendency a very dangerous one that has lately arisen and apparently seems now to grow in this body, that because a document may contain some observation not agreeable to the tastes or the sense of refinement of any Member the document must be stricken from consideration.

In this particular case there are statements which good taste would not have permitted and which offend against that form which has prevailed in discussion in this body; but what interests me is this: The Senator from Pennsylvania, unless I misunderstood him, and I now invite his attention to what I am saying, said that he offered this letter as a part of his remarks



and adopted it as his views. If he did such, then it was the speech of the Senator and his remarks entering into his speech, and for myself I can not vote to establish the precedent that a Senator can have his remarks either stricken from the Record or be prevented from making them because they partake of censure or criticism or condemnation of a public official when in the exercise of conduct known as public conduct.

It was because of that that I asked the Senator from Pennsylvania if he would give attention to the part of the letter which is regarded as obnoxious to the rule of the Senate and thus eliminate it upon his own volition. That he, for reasons satisfactory to himself, declines to do.

Mr. OLIVER rose.

Mr. LEWIS. Does the Senator from Pennsylvania wish to interrupt me?

Mr. OLIVER. I was waiting until the Senator from Illinois would conclude.

Mr. LEWIS. I yield to the Senator now.

Mr. OLIVER. Then I intended to say just what I really propose to do.

Mr. LEWIS. I would rather yield now to the Senator.

Mr. OLIVER. I think when my remarks are read it will be seen that what I said alluded to the arguments presented in the letter of Mr. Dickson as stating the case better than I could state it; that is, on the armor-plant proposition. I wish to say that I did not intend to adopt his language as a whole, but I discover that there is in the letter a reflection upon the Secretary of the Navy which certainly does not reflect my views, and which if I had examined more carefully I certainly would not have included, because for the Secretary of the Navy personally I have a very high regard, and I am unwilling that anything should go into the Record, at least at my instance, that would make a statement such as is made in this letter. I do not want the language to go into the Record, and I would ask, therefore, Mr. President, that the last sentence of the next to the last paragraph be omitted from the letter of Mr. Dickson.

Mr. THOMAS. I will ask the Senator if that covers all the expression which I included in parentheses.

Mr. OLIVER. I have not looked at it, but I presume it does. I will have the Secretary look at it and see.

Mr. THOMAS. I think the Senator will discover that the portion which is included in parenthetical lines is all that need be omitted. The previous part of the sentence is entirely unobjectionable.

Mr. OLIVER. I will omit it.

Mr. THOMAS. I personally want to thank the Senator for his courtesy in the matter.

The VICE PRESIDENT. Does the Senator from Oregon still insist on his motion?

Mr. CHAMBERLAIN. I withdraw it, in view of the statement of the Senator from Pennsylvania.

The VICE PRESIDENT. The motion of the Senator from Oregon is withdrawn. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILLMAN. Mr. President, with the permission of the Senator from Louisiana in charge of the bill, I ask the Senate to recur to pages 18 and following. I wish to offer an amendment there. I will explain the amendment later on. The Secretary can read it.

The VICE PRESIDENT. The Secretary will read the amendment proposed by the Senator from South Carolina.

The SECRETARY. Page 18, line 2, after the word "all," strike out "\$5,800,000" and insert in lieu thereof "\$5,400,000."

Page 21, line 22, after the word "leave," strike out "\$1,600,000" and insert in lieu thereof "\$3,600,000."

Page 37, line 17, after the word "vessels," strike out "\$9,788,000" and insert in lieu thereof "\$9,288,000."

Page 41, line 19, after the word "engineering," strike out "\$8,080,000" and insert in lieu thereof "\$7,780,000."

Page 59, line 4, after the word "expended," strike out "\$17,647,716" and insert in lieu thereof "\$17,047,617."

Page 59, line 13, after the word "expended," strike out "\$14,877,500" and insert in lieu thereof "\$14,677,500."

Mr. TILLMAN. Mr. President, with the permission of the Senate, I will explain just what I am seeking to accomplish.

Much has been said in both House and Senate as to what it costs to build a battleship. Figures have been quoted to show that navy-yard work is more expensive than outside work; and two separate amendments submitted by the Secretary of the Navy have been ruled out on points of order, although they sought to give the responsible head of a great executive depart-

ment an opportunity to properly carry on the duties of his office and intelligently economize in the expenditure of Government funds.

These amendments were unfortunately worded, perhaps, and not as clear as they should have been; but I am certain there was no purpose to deceive Congress or to use money unwisely or wastefully.

Last evening I held a conference with the Secretary of the Navy, and talked this whole matter over with him. I pointed out the necessity for changing the sums to be appropriated in the bill. He suggested the amendment which I will send to the Clerk's desk, stating at the same time that the bureau chiefs, for want of time, could only make guesses of the approximate amounts permissible or that could be spared from the other appropriations to make up the \$2,000,000 necessary for "maintenance, yards and docks." He has promised that the next naval estimates sent to Congress shall comply strictly with section 3686 of the Revised Statutes—the law in regard to estimates. So far as I can promise, as chairman of the Committee on Naval Affairs of the Senate, I will see to it that the law is carried out to the letter. The House, of course, is primarily responsible for all appropriation bills, and they have sent us the best one they could under the circumstances. That it is not at all accurate or satisfactory is the fault of the system of bookkeeping in the Navy Department. Under the system which the Secretary will inaugurate on his own motion, I am sure there will be no cause for complaint hereafter.

The present system of cost accounting for work done at navy yards was inaugurated July 1, 1910, by order of Secretary of the Navy Meyer, this system having been devised by Marwick, Mitchell & Co., certified public accountants. The system had for its stated object the standardization of Navy accounts in such manner as to more accurately distribute charges among the various naval appropriations, and purported to absorb into the cost of work all expenditures of every kind in any way connected with or incident to the doing of the work. This system failed to take into account the fact that navy yards must and will be maintained in a condition of military preparedness, without regard to the volume of output work; and in attempting to graft a commercial system onto an establishment largely military the authors ignored section 3678, Revised Statutes, or did not know of its existence. And the Secretary of the Navy did the same thing or he would not have issued the orders to institute this system of bookkeeping at all. While his intentions were no doubt good, the results have been the deplorable confusion which now exists. Secretary Daniels, when he took charge of the Navy Department, found this system of bookkeeping already in force there, and as he could not get any accurate information concerning costs he set about investigating the bookkeeping. He was unwilling to overturn his predecessor's work without good reason. He has had two accomplished naval officers, Pay Inspector McGowan and Col. Radford, of the Marine Corps, at work for months trying to find out just what was the matter. This system of bookkeeping was authorized under the act of June 24, 1910, and Congress appropriated \$30,000 to pay the experts who devised it. Instead of clarifying and simplifying matters, as was claimed, it has wrought confusion worse confounded, and Secretary Meyer can not be congratulated upon the success of his experiment.

It all comes to this: The amount of money carried by the appropriation, "Maintenance, yards and docks," is \$2,000,000 less than is required for the various purposes named in the said appropriation, and the present accounting rules offer an ingeniously devised system of augmenting one appropriation for another—the result being excessive costs on some items, but no apparent deficiency. The amendment now offered is to increase the appropriation, "Maintenance, yards and docks," by \$2,000,000 deducted here and there from various other appropriations made too large by erroneous estimates which have grown up under the iniquitous system against which the Secretary of the Navy most earnestly set himself from the moment he found it out.

Mr. GALLINGER. Mr. President, I confess to not understanding the composite amendment of the Senator from South Carolina as offered, but I will venture to ask the Senator if the figures that he has given in his amendment correspond with the estimates of the department.

Mr. TILLMAN. They do.

Mr. GALLINGER. On all points?

Mr. TILLMAN. The amounts are the same. We do not add an additional dollar, but change the items and deduct from some and make up \$2,000,000 for yards and docks.

Mr. GALLINGER. They do not correspond with the estimates for the various items sent to Congress, I assume.



Mr. TILLMAN. I do not think they do, because the estimates were based on the erroneous system of bookkeeping that the Secretary of the Navy is trying to get rid of.

Mr. GALLINGER. Does the Senator think we have even the right to increase and decrease amounts so that they do not agree with the estimates that were sent to Congress from the department?

Mr. TILLMAN. I think the Senate ought to be able to do it.

Mr. GALLINGER. Does not the Senator think it would be very dangerous legislation for us to go into that kind of a thing, because if we can do it on this appropriation bill we can do it on all appropriation bills, and we can carry out our own notions in reference to the different appropriations without any regard to the opinions of the head of the department.

Mr. TILLMAN. The head of the department himself has asked that this change be made, and he has given an explanation of the reason why he asks it. He has a system of bookkeeping there which, as I said, is confusion worse confounded, and the more he tried to unravel it and to find out what he ought to estimate the more befuddled he became.

Mr. GALLINGER. Then he did not know at the time he made his estimate what he has since learned?

Mr. TILLMAN. Of course he did not know or he would not have sent it down here.

Mr. GALLINGER. I confess, Mr. President, this is extraordinary legislation; but if the majority side of the Chamber feel that it is safe legislation I have nothing more to say.

Mr. TILLMAN. I am sure it is safe on this one bill.

Mr. GALLINGER. I have never known legislation of this kind to be indulged in in the Senate before.

Mr. MARTIN of Virginia. Mr. President, I not only consider it unsafe, but most extraordinary. It is re-forming the naval appropriation bill in the teeth of estimates sent to Congress officially by the Secretary of the Treasury, who has been advised by the Secretary of the Navy. This is in violation of the rules of the Senate. This increase of \$2,000,000 has not been estimated for.

Mr. TILLMAN. It is no increase whatever; it is just a change.

Mr. MARTIN of Virginia. Then I am unable to understand the English language. There is a distinct statement that it is an increase of \$2,000,000 for yards and docks. It is true it is not an increase in the aggregate, but these appropriations must be treated separately, and they will have to be voted upon separately, if the amendment ever comes to a vote. It is impossible to offer 15 or 20 amendments, scattered through the bill, and expect that they shall be voted upon as one proposition.

But I do not think it will ever come to a vote. It is a most extraordinary proposition that the Secretary of the Navy, discharging the obligations of his office, should make estimates and furnish them to Congress and afterwards, when the bill is in the final stage of its passage, the same Secretary should come here and in defiance of his previous estimate ask that the bill be changed to the extent of \$2,000,000. While there may be no increase in the aggregate there is an increase to the amount of \$2,000,000 in some places and there is a diminution in other places.

I make the point of order that there is an increase and that it is not estimated for. It is plainly out of order. There is no estimate for any increase of the estimates as given in the bill and reported to the Senate by a committee of the Senate. The Senate has a right to expect from the Secretary of the Navy a careful estimate of each item of expenditure required by his department. He has made that estimate with the aid of his bureau chiefs and has sent it to Congress. The committee of the Senate has acted on it and has reported to the Senate in accordance with those estimates.

Now, here comes an informal statement, privately made by the Secretary of the Navy. He gives a private memorandum to a member of the committee. The committee itself has had no opportunity to consider this radical change, amounting in the aggregate to \$2,000,000. Wherever there is an increase to any clause or clauses by this amendment it is an increase without an estimate, and is plainly out of order.

Mr. TILLMAN. There has been enough decrease to make up the \$2,000,000 item. It is merely transferring from some items and putting them in this yard-and-dock item.

Mr. MARTIN of Virginia. On that principle the entire bill might be changed.

The VICE PRESIDENT. The point of order is sustained. The amendment is not in order.

Mr. THORNTON. I now ask that the amendment on page 31, after line 6, heretofore submitted, which was temporarily

passed over at the suggestion of the Senator from Wyoming, be taken up.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 31, after line 6, insert:

That the act approved August 22, 1912, making appropriations for the naval service for the fiscal year ending June 30, 1913, and for other purposes, in so far as it relates to the payment of six months' pay to the widow of an officer or enlisted man, etc., be amended to read as follows:

"That hereafter immediately upon official notification of the death, from wounds or disease not the result of his own misconduct, of any officer or enlisted man on the active list of the Navy and Marine Corps the Paymaster General of the Navy shall cause to be paid to the widow and, if no widow, to the children, and, if there be no children, to any other dependent relative of such officer or enlisted man previously designated by him, an amount equal to six months' pay at the rate received by such officer or enlisted man at the date of his death, exclusive of any expenses of interment which the Government defrays under existing law."

Mr. WARREN. Mr. President, the matter is legislation of a general character. It seeks to amend a statute that is already in the general statutes of the country, and I make the point of order against it.

The VICE PRESIDENT. The point of order is sustained.

Mr. GALLINGER. Mr. President—

Mr. THORNTON. The committee has not finished offering amendments.

Mr. GALLINGER. Very well.

Mr. THORNTON. I send up the following committee amendment and ask to have it read to the Senate.

The SECRETARY. On page 61, after line 17, add at the end of the bill a new section, as follows:

SEC. 2. That all appropriations contained in this act shall be immediately available from the date of the passage thereof.

The amendment was agreed to.

Mr. THORNTON. That completes the committee amendments.

Mr. GALLINGER. Mr. President, I was not privileged to be in the Chamber much of the time during the consideration of this bill, having been occupied as a member of a conference committee.

In looking over the RECORD I notice that a new dry dock, at a cost of \$3,000,000, has been provided for the Norfolk yard. I believe it was estimated for, and it was properly before the Senate. If I read the RECORD correctly, I believe the junior Senator from Virginia [Mr. SWANSON] admitted that there are now three dry docks at Norfolk—I ask the junior Senator from Virginia if that is correct—and that this will be the fourth dry dock at that station.

Mr. SWANSON. There is an old one. I think there is only one in very much use for large ships. One of them is very old.

Mr. GALLINGER. Mr. President, I am not finding fault with that legislation, because I apprehend that the dock is needed at that important yard to care for the large ships of the Navy. But I want to call attention to the fact that there are other yards, and I speak particularly of one yard that ought to be provided with an additional dock, and that is at Portsmouth, N. H. The climatic conditions, Mr. President, where that dock is located are of the best, and it is the only harbor north of Hatteras that does not freeze in the wintertime. It is always open; it is open the year around, and it will probably continue open for all time to come.

There is very deep water in the harbor of Portsmouth. I think deeper than in any other harbor in the country; at any rate, it is more than sufficient to accommodate the largest ships that have ever been built or that ever will be built. We have in that community an abundance of skilled labor of the highest quality, and the work done there is beyond criticism. We have one dock in Portsmouth, I believe 750 feet in length, constructed a few years ago to take the place of an old wooden dock that was out of commission, and the new dock is of a most excellent quality, being constructed of granite, and is answering its purposes, so far as its capacity allows; but we really need another dock in that navy yard, and it ought to be of modern construction and practically of the same size as the one already ordered for Norfolk. For that reason I am going to offer an amendment providing for a new dock for the Portsmouth yard. In entire frankness, I will say that it has not been estimated for, and that the amendment on that point is subject to a point of order. I hope, however, that no point of order will be made against it, but that it will be allowed to go to conference, where the friends of the appropriation will be permitted to present reasons that can not now be presented for its retention in the bill. Had I been in the Senate Chamber when the Norfolk dock was discussed I would have presented reasons why a new dock should be constructed at the Portsmouth yard, but the Senator in charge of the bill is anxious to get a vote, and I will not detain the Senate long.



I will simply repeat, Mr. President, the suggestion that I hope the point of order will not be made against the amendment, but that the matter will be allowed to go to conference. Whatever happens to it there will not be questioned by me. I hope that the point of order will not be made against it. If, on the other hand, the amendment should finally go out in conference, I shall be satisfied with the action of the committee of conference. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment offered by the Senator from New Hampshire will be stated.

The SECRETARY. After line 15, on page 26, it is proposed to insert the following:

NAVY YARD, PORTSMOUTH, N. H.

New dry dock at the Portsmouth Navy Yard, N. H., of sufficient size to accommodate the largest battleship, and to be at least 1,000 feet in length, designs and specifications to be determined by the Secretary of the Navy (to cost \$2,500,000), \$200,000.

Mr. THORNTON. Mr. President, I make the point of order against that amendment. I regret to do so on account of my personal feelings for the Senator from New Hampshire, inasmuch as he earnestly requested that it be not done, but I feel that it is my duty to do so.

Mr. GALLINGER. Mr. President, I appreciate the courtesy of the Senator from Louisiana. He is always kind, and I regret that he can not see his way clear to let this amendment go on the bill and go to conference; but, as I said before, the amendment is undoubtedly subject to a point of order, and the Senator from Louisiana is acting entirely within his rights in making that point against it. When the next naval appropriation bill comes before the Senate I will have something more to say on the subject, believing that the Portsmouth yard is entitled to an additional dock.

The VICE PRESIDENT. The point of order is sustained.

Mr. VARDAMAN. Mr. President, I wish to offer an amendment, in line 16, on page 56, after the word "constructed," to strike out "two" and insert "one," so as to provide for the construction of but one battleship.

Mr. President, I am not going to take the time of the Senate to discuss this question at any great length, but I want to say that I think the American people are going wild on the subject of making ready for war. We are talking about war and about getting ready for war. Whenever one of these bills is up for consideration it is not infrequent that mysterious information is sent to the committee, and the newspapers talk about the probability of an assault being made on us from the west. I think if we would talk more about peace, think more about peace, and do more for the promotion of peace, it would not be necessary to make such expensive provision for war.

The United States Government is in a position where it can set an example, where it can lead the world in the matter of forming sentiment; and, after all, Mr. President, Governments, like individuals, are controlled and influenced by sentiment. Laws are but the crystallization of public sentiment. I think that in these expensive preparations for war the influence of the men who are interested in the manufacture of armament in writing these bills is greater than any other influence that enters into the consideration. And I think those men who, for their own interest, insist upon a great Navy and large Army and in that way increase the burdens of taxation upon the people are a greater menace to our country and enemies more to be dreaded than the enemy who lives across the seas. This phase of the question calls for the most careful scrutiny by the Congress.

I, for one, am tired and sick of this policy of depauperating and burdening the toiling millions of this Republic with the enormous expense of maintaining armies and navies. I am advised that probably 70 per cent of the appropriations made by Congress go to pay the expenses of the wars of the past and to get ready for another war. I repeat, if we would talk more about peace, if we would make preparations for peace, there would be less necessity for this tremendous outlay of money and therefore less likelihood of war. I think nations, like individuals, when they are ready to fight, when they are conscious of their strength and preparedness, are very much more inclined to "pick a fuss," if I may use that old expression, or a difficulty with another nation than they would be if they were not so well prepared. I have never known a man who carried a gun or went armed all the time looking for somebody to insult him that did not find some excuse for a row.

Mr. President, if we could write more of the spirit of the Golden Rule into our laws and less of the damnable spirit of the rule of gold, if we could discard the old barbarous theory in government of "the survival of the fittest," and so conduct ourselves in our relations to other Governments as that all Governments might be helped to become fit to survive, this

terrific burden would be taken from the shoulders of the toilers of this country.

War is barbarous and out of harmony with the spirit of the times, and the burden which Congress puts upon the shoulders of the producers of this country in making preparations for war is, to my mind, highly immoral; it is an unwarranted misuse of the fruits of human effort.

Mr. WORKS. Mr. President, I would like to ask the Senator from Mississippi if he does not think this Government ought to prepare for war when it invades a weak and crippled foreign nation and commences the taking of human life for no better reason than that a usurper in that country has failed to salute the flag of this Nation?

Mr. VARDAMAN. Well, I do not think, Mr. President, that one possible mistake would justify the committing of another. As to the motives which induced the present administration to go to Mexico, of the facts behind that movement I am not advised. I will say, since the Senator propounded the question, that I personally have about come to the conclusion that it would be infinitely better for the American people if we would attend to our business and let the other nations of the earth attend to theirs; it would be much better for us. I am tired of the United States Government playing the rôle of policeman for the Western Hemisphere. It is rather a costly policy, and I fail to see what we will get out of it except the hatred and deep-seated animosity of the people whom we regulate.

Mr. LANE. Mr. President—

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Oregon?

Mr. VARDAMAN. I do.

Mr. LANE. I should like to ask the chairman of the committee, or the Senator who represents the committee, if this bill carries any deficit; and, if so, to what amount? Are all of these live appropriations to be expended during the next fiscal year, or are some of them for deficits as they come in here?

Mr. THORNTON. The bill carries no deficit.

Mr. THOMAS. Mr. President, the only criticism which I feel justified in making of the amendment just offered by the Senator from Mississippi [Mr. VARDAMAN] is that it does not go far enough. The purpose of that amendment is to reduce the number of battleships to be provided by this bill from two to one. I shall at the proper time, but without any expectation that it will be carried, offer another amendment, which will go much further than that portion of the bill relating to two battleships. I do not presume that what I shall say—and I shall be as brief as possible—will have any particular effect upon the fate of this measure; but I do indulge the hope that it may attract some attention outside of this Chamber and thus aid in strengthening a public opinion already asserting itself against this policy.

I voted for the amendment offered by the Senator from New York [Mr. O'GORMAN] providing for the construction of one of these vessels in a navy yard belonging to the Government, and I should, with equal pleasure, have voted for an amendment providing that all of this construction should be so carried on, because just in proportion as the Government assumes responsibility of building its own vessels, just in that proportion will the real inducement that operates to cause these enormous appropriations disappear. When the Government builds its own vessels and manufactures its own armor plate and its own powder and its own munitions of war, the period of retrenchment in naval construction will have arrived. So long as these vessels are constructed by private enterprise, so long as armor plate and all the munitions of war are manufactured by private enterprise, just so long will the Congress of the United States continue to emulate the bad example of other nations and make appropriation after appropriation for the building of these huge monsters of destruction that become practically obsolete before they are complete.

Mr. President, I sometimes wonder how long this "endless chain" of battleship building is going to continue. We all know how it began and why it persists. Great Britain builds four battleships every year, we will say, because Germany builds two; and Germany builds two because England builds four and France builds two; and France builds two because Germany constructs two and England four; and Japan builds two because France builds two and Germany builds two and Great Britain builds four; and the United States builds two because Japan builds two and France builds two and Great Britain builds four and Germany constructs two. There used to be a saying in Georgia when I was a boy that "we raise cotton to get money to buy niggers to raise cotton to get money to buy niggers to raise cotton to get money to buy niggers." So, the great powers of the world are building battleships because each of them is engaged in the game, and because the motive



power to all of it is furnished by the greatest, the most conscienceless and infamous trust that ever disgraced civilization, a combination, Mr. President, whose chief asset is the creation of discord among nations, which manufactures war and rumors of war, which plays upon the apprehensions of mankind, which warns each nation against the devilish machinations of all its neighbors, and assures them that absolute preparedness is essential to national safety and the preservation of public peace.

This trust finds expression in many ways, Mr. President, and avails itself of all of them. The press, the Army, the Navy, the pulpit, the Navy League, and various other agencies are constantly engaged in warning all people of the necessity of preparedness for war and calling attention to the superiority of foreign armaments as compared with domestic ones; to the plans of foreign governments as to increased armament; to menaces against the Monroe doctrine; and to that terrible shopworn specter of an invading army from Japan appearing suddenly upon our Pacific coast and spreading destruction and desolation among our defenseless people.

Mr. President, it seems to me—and I believe that every nation should have a fair navy, an adequate navy—that we have already more ships than we know what to do with. Our battleships number 39; and this bill provides for the sale of two of them. Why? Because we do not need them or because they are obsolete, or both? If they are good vessels and we need them, why should we sell them to any foreign nation, which may afterwards, if the war trust shall be credited, turn their guns against us? If they are obsolete, if they are deficient, so that they can not stand against the great battleships of the present day, is it not fair to assume that in 10 years from now the battleships of to-day will be equally unreliable, and must consequently be sold or go to the scrap heap?

Mr. President, this sort of competition in the manufacture of great modern weapons for the destruction of human life has been going on some 35 or 40 years, and the progressive increase of armament carries progressive increase of cost, which has been advancing by leaps and bounds, so that the national debts of the world to-day, according to the last estimates, aggregate \$42,000,000,000, which, added to State, railway, municipal, and public utilities debts, it is fair to say, makes the public and semipublic indebtedness of the civilized nations \$100,000,000,000, drawing annual interest at not less than an average of 4 per cent, or \$4,000,000,000, an amount representing perhaps 50 per cent of the productive energy of the civilized world; in other words, Mr. President, the people of the world who produce, who bear the burdens of life, before any of their earnings can be utilized for ordinary affairs, must pay \$4,000,000,000 as interest to those who hold their securities, and of this stupendous national debt fully two-thirds has been contracted in offensive and defensive wars, in the expenses consequent upon the waging of war, and in preparation for wars that are to come.

On December 4 last the New York World, under the title "A sign of sanity," published this editorial:

The fall of the Barthou ministry in France was occasioned by a proposal to make the new bond issue tax free. The real cause was growing irritation with the militarist program: with a \$260,000,000 addition to a national debt now more than \$800 for each family; with the withdrawal of the youth of the land from industry for a three-year service; with war costs, besides the loss of these young men's time, which tax the average family more than \$70 a year in a land of low wages and general economy. It is significant that M. Caillaux, who opposes the three-year enlistment, is the man of the hour.

This situation in France is a sign of sanity. Is it not time for a similar revolt here? Is not the world ready for it?

The French Government spends 60 per cent of its ordinary revenues on war purposes. Our proportion has not greatly changed since Representative Tawney figured that 71 per cent of the yearly appropriations went that wasteful way.

The increase is most startling in naval expenditures:

1883	\$14,903,559
1893	23,543,267
1894	22,104,061
1898	33,003,234
1899	56,098,783
1900	48,099,969
1903	78,856,363
1908	98,958,507
1909	122,662,485
1910	436,935,199
1911	131,410,568
1912	126,405,509
1913	123,151,538
1914	140,718,434

I may digress here for a moment, Mr. President, to refer to the fact that, so far as naval construction in this country has gone, we have paid our way, but the fact nevertheless remains that the money which we have used to pay our way has been raised by taxation and is as much a part of the public burden as though we had borrowed money and were paying interest upon it.

In 20 years the population of the country has grown 47 per cent; naval expenditure more than 500 per cent. Twenty years ago the

Army, properly regarded as Indian police and as a skeleton organization in war, cost more than the Navy, though both combined ran to but \$26,329,701 in 1884. The Navy, the big-stick branch of the service, has now surpassed even the enlarged Army in cost. If Representative Hobson's idea had been followed of an Atlantic and a Pacific fleet, each equal to any other in the world, we should have to-day for the Navy alone a budget of \$600,000,000, 272,000 men withdrawn from production for sea service, and very likely a doubled national debt. And what should we have gained by it, except harder times, more destitution, and the hatred of our menaced neighbors?

The fall of the Barthou ministry, the bitter memory in Germany of the failure to float new war bonds last spring at low prices, and the ascendancy of the pacific Liberal party in Great Britain are conditions favorable to the "naval holiday" proposed by Winston Churchill and again by Secretary Daniels in his report. Why can not the great nations agree to stop this bankrupting race for one year? If for one year, why not for five years? Why not altogether? And why should not the great Republic lead the way?

About the same time, Mr. President, the Saturday Evening Post contained an editorial, the title of which is "The Largest Scrapheap," which I will also read:

Various foreign governments, according to reports that have been received in Wall Street of late, are arranging or contemplating bond issues that aggregate one billion and a half dollars. The list begins with Russia, which wants half a billion, and ends with Argentina, which can get along with sixteen millions. Pretty nearly two-thirds of the total is for military purposes.

A bulletin recently published by the Department of Commerce recites that the aggregate indebtedness of all nations for which data can be had was two and a half billion dollars in 1800, eight and a half billions in 1850, thirty-one and a quarter billions in 1900, and forty-two billions in 1912. The present total, therefore, is equal to about one-third of the total wealth of the United States, which is the richest country in the world.

By far the greater part of this tidy sum represents sheer economic waste.

And that, Mr. President, is the great indictment of such expenditures—

the dreadnaughts of a dozen years ago that are now mere junk, or those of last year that will be mere junk by 1920; powder and shell shot away; the cost of transporting a great army from England to South Africa, where it tilted at a Dutch windmill and then came home, leaving the windmill practically intact, and so on.

A few persons have profited, namely, statesmen, Army and Navy officers, and manufacturers of arms and munitions. For their sakes and in support of a tradition that has no rational relationship to modern conditions the game goes on at a constantly accelerating pace. It is interesting to consider how high the scrapheap will grow in the next 20 years.

A few persons have profited, Mr. President, largely; a great many persons have profited by the construction of battleships and other naval armament very considerably. The sensation which greeted the world last year when Liebknecht called attention to the fact that the War Trust had reached out and embraced within its tentacles officers of the German Army, men high in the councils of that great Empire, had scarcely died away before a similar sensation occurred on the other side of the world. Japan found herself face to face with the humiliating and disgraceful fact that the War Trust had its representatives touching the throne; that officers high in the navy and others in authority were receiving contributions and compensations from this aggregation, which by playing on the fears of mankind supplies the nations of the earth with engines for their own destruction; that its corrupting influences were securing imperial patronage through the corruption of public servants.

Members of the ministry were compelled to resign, and the world knows to-day that the corruption and grafting of the war trust has permeated the inner circles of the great Kingdom of Japan.

Fortunately, as far as we are concerned, we have thus far escaped the contagion of scandal; but if this mad race for naval supremacy continues, how long will it be before the United States will be compelled to hang its head in shame over disclosures that may involve some of our public men with its methods and its policies?

More important than all, however, is the question whether this competition is to continue until the nations are face to face, as they must be, with inevitable bankruptcy. How long must the people of the world continue to pay interest on billions upon billions of public debt, the principal of which never will be and never can be paid, and which is continuing to swell yearly in its huge and ponderous aggregate? How long can the industry of the world stand the burden of the ever-increasing annual interest charge?

No man is visionary enough to imagine for a moment that the national debts of the world ever will be paid. They constitute a constant burden, permanently resting upon the shoulders of mankind, increasing in its weight and in the awful tax that it wrings from production. It must end either in policies which will end the constant increase of the amount or in repudiation. Indeed, we hear now from some sources the threat of repudiation. It comes from those who pay the toll, from those whose earnings are diverted from their normal purposes and their own comfort to the chests of the money changer, and who reaps all



the benefit which comes from national indebtedness, and which makes it the greater national calamity.

Mr. President, some time ago, I think during the past year, Mr. Churchill, of the British ministry, proposed a naval holiday, to the end that all the nations might find temporary surcease from this huge outlay of needless expenditure. In some countries his proposition was greeted with derision; in others it inspired epithets and abuse; but in America it found an appropriate and generous response in the action of the House of Representatives and in the suggestions of the Secretary of the Navy. The nations have virtually rejected that suggestion; at any rate, they have paid no attention to it, and the budgets for naval construction in nearly all of the countries of the world are far greater than they ever have been before.

Mr. President, why can not this great country, dedicated in principle and theory to peace among the nations, isolated from all contact with any power sufficiently great to menace its institutions—why can not this mighty Republic, in the good year 1914, set an example to all the kingdoms and principalities of the world by declining to go into naval construction at all this year, followed or accompanied by an announcement that its policy will be continued if the other nations will cooperate, to the end that the burdens which the people carry in this mad effort to see which can obtain the biggest and most expensive battleships shall be brought to a happy termination?

Mr. President, before I take my seat—and I shall not detain the Senate much longer—I wish to refer to one of the apprehensions, one of the so-called menaces, one of those dread, but nameless, menaces which are annually concentrated upon Congresses and chancelleries to the end that their purse strings may be opened in the interest of those who profit by battleship building. I refer to the charge that Japan is our natural enemy, which will at some time contend with us for the mastery of the Pacific, and which is looking with longing eyes upon our western slope; that that nation, ambitious, unscrupulous, and powerful, only waits the opportunity to invade the shores of the United States for the purpose of waging an offensive and destructive war of conquest; and that unless we have at hand a huge army and a huge navy, which should be provided for now, at whatever cost, we shall, when it is too late, realize the fact that the destruction of the Republic is near at hand and that we could, if we would, have preserved it.

Mr. WEST. Mr. President—

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Georgia?

Mr. THOMAS. I do.

Mr. WEST. I should like to ask the Senator from Colorado a question right there. It is not so much the fear of invasion of our western coast, is it, as it is the fear that the Japanese will obtain the Philippines? I will ask the Senator further if he does not think that is the thing that has given the great impetus to the increase in our armament for the last 10 or 12 years?

Mr. THOMAS. O, Mr. President, the only benefit to anybody that our accession of the Philippines has thus far conferred has been to give the war trust one more point to press home upon the apprehensions of the American people and enable them to get bigger appropriations for war and naval purposes. The greatest mistake that was ever made in the history of this country, or one of the greatest, was when Dewey, after destroying the Spanish fleet, failed to sail away from the harbor of Manila and leave that country to its own destinies. I say no, Mr. President; that is merely one of the pretenses for this enormous armament.

Why, Japan is the most terribly debt-burdened country that exists. Its indebtedness—and I can not give the exact amount—is greater than that of any other nation. The taxes, if my information is correct, amount to 25 per cent of valuation and of production. Tell me that a country so handicapped, however warlike, can possibly wage an offensive war against a great nation like ours; that a country so conditioned can be formidable to any distant land, whatever its feeling of hostility against that land may be!

It is true that in the event of hostilities the Philippines might fall an easy prey to a Japanese fleet, but that would be only the beginning of the end. The most remarkable part of this Japanese scare is involved in the notion that "an invading army of 150,000 men may be landed upon our shores overnight."

Has anybody ever calculated what that means—an army of 150,000 men transported 6,000 miles across the sea for the purpose of waging an offensive warfare against more than 90,000,000 people? How many vessels would it require to bring such an army of men over with their officers, their engineers, their medical and hospital and quartermasters' departments, their stands of small arms, their rounds of ammunition, their ma-

chine guns, their provisions, their field and siege artillery, the ammunition for them, their horses, their horse feed, medical supplies, tents and camp equipment, supply wagons, fuel for men-of-war and transports, aeroplanes, miners' and sappers' equipments, and so forth? Why, Mr. President, I am unable to say, but I believe that the amount of tonnage that would be required for the transportation of such an expedition passes comprehension.

Von Moltke once said that he had devised three satisfactory schemes for landing an army from Germany in England, to be transported less than 150 miles, but he was never able to devise a scheme for getting them out of there after they were once landed. Men are generally thoughtless. We are governed by our apprehensions, our fears, our prejudices, and not by our reason. Say "Japan" to any half a dozen men in the United States and it will come pretty near stampeding them; a fact well known to the War Trust at whose suggestion we rush into our committees here and vote millions in order to protect ourselves against this imaginary foe.

Why, Mr. President, such a thing as perfect preparedness for war is an impossibility. Thank God for it! The nation that comes nearest to being prepared for war in order that it may escape war is precisely the nation which in all probability will first be involved in war. The nations which are least prepared are more immune to-day from trouble than any others.

Was it the great armaments of France and Germany which kept those two nations from each other's throat over the Morocco incident? No, Mr. President; it was the common man of France and Germany meeting en masse and refusing to fight who served notice upon their respective Governments that war should not be. As far as people can be made to perceive—and, thank God, they are learning it—that it is they who fight the battles and pay the cost; that it is their children whose blood flows freely in case of armed conflict; and their children's children who pay interest upon the debts which war creates—these, Mr. President, are the surest modern safeguards against wars between the nations.

What is the real feeling of Japan toward this country? We are told that it is one of hostility. Everywhere is spread the contagious notion that the people of that nation are only waiting an opportunity to strike, and strike hard, because of the race question, so called, and for other causes of dissatisfaction which need only a spark to be fanned into a flame of war and of rapine.

Mr. President, I desire to read into the Record a part of the report made by Mr. Hamilton W. Mabie in 1913 to the trustees of the Carnegie Endowment for International Peace. I am aware of the fact that this institution is regarded with much disfavor by some of the Members of this body, who believe that it has been unduly interesting itself in the matter of canal tolls. Whether that be true or not, I shall not attempt to say; but I do wish to emphasize the fact that between a Carnegie endowment for peace and a war trust that is putting its slimy fingers in the pockets of every taxpayer in the world, I will cast my lot with the peace endowment.

This is what Mr. Mabie said concerning the attitude of the Japanese people toward ourselves:

I desire to emphasize this quality because it is a national characteristic, and because the courtesy shown us was a courtesy to the American people whose representatives, in an informal way, we happened to be. It was an expression of a friendship for this country based on the consistent helpfulness of our National Government toward Japan and an expression of the feeling, widely prevalent, that there is a closer intellectual affinity between us and them than between any other eastern and western countries. The fairness of spirit and consideration for Japanese honor and interests shown by Commodore Perry, who secured access to the country 60 years ago, and by Mr. Townsend Harris, who a little later negotiated the first treaty between Japan and a foreign country, produced a deep and lasting impression on the Japanese people and laid the foundation of a genuine friendship for this country. It is my conviction that the Japanese are the only foreign people who have liked us as a Nation. Other people have liked individual Americans, but the Japanese have liked the United States. They hold the names of Perry and Harris in great honor, and a statue of Perry stands near the place where he landed.

The attitude of the Japanese when the so-called anti-Japanese land legislation was before the California Legislature was highly significant. The stories of mobs in the streets of Tokyo "clamoring for war," which appeared in many newspapers in this country, were without foundation; the feeling was not belligerent; it was rather a feeling of keen disappointment that an old and tried friend had turned against Japan and had deliberately treated her as an inferior; an offense which this country would instantly have resented if the conditions had been reversed. The friendship of Japan has an importance in our future relations with the Far East which ignorance alone can ignore or undervalue.

We know, Mr. President, what the attitude of the Japanese people toward us was represented to be only a few short months ago, and we now know how false that representation was. What malign influence so misrepresented them, and for what purpose? If I continue to accuse my neighbor of unworthy motives; if I continue to suspect and to express my suspicion



of his relations toward myself; if I constantly insinuate that he only wants an opportunity to take my life or destroy my property the time inevitably comes when a rupture occurs between that neighbor and myself; and my own conduct is largely, if not wholly, responsible for the unfortunate consequences. So it is with nations. If these interests so largely involved in the construction of battleships and furnishing munitions of war are to continue to plant the seeds of discord and distrust and enmity between the nations, they will do more toward kindling a state of war than all the other influences that can be resorted to and persisted in.

One more word, Mr. President, and I am done. I contend that the Navy which this Nation now possesses is more than ample for all of its present needs and the needs of its immediate future. We have more vessels to-day than we can man and officer. Mr. WITHERSPOON, one of the ablest men in public life, a gentleman who understands the naval situation not only of the United States but of all countries better, I believe, than any other man in Congress, has declared, if I remember his figures correctly, that the present Navy of the United States is short of equipment 3,000 officers and 6,000 men.

If we were obliged to mobilize every vessel we have tomorrow, we would not be able to do so because of the lack of officers and men. The two vessels provided by this bill will cost not less than \$32,000,000, and will be completed, perhaps, about 1917 or 1918. Long before then Great Britain will have laid the keels for larger ones, and Germany and France; and so we, in order to keep up with the procession, will be required to do the same. When 1925 shall have arrived the most of us will have disappeared from the scene of active and possibly of actual life; but I should not be at all surprised but that a part of the naval appropriation bill would then provide for the sale of the vessels for which we are now providing because no longer available for our protection.

Mr. President, when is this mad expenditure of the public moneys going to cease? When will a condition of sanity overtake the American public mind? When will we awake to the fact that we are simply contributing millions of dollars to a world-wide combination dealing in everything that makes for human disaster, corrupting public officials and private individuals of influence all over the country and all over the world, and intent only upon increasing the vast accumulation of the millions which in the past 35 years it has garnered to itself? I am not only in favor of the amendment offered by the Senator from Mississippi [Mr. VARDAMAN], but I shall also offer one going to the entire proposition as soon as a vote can be taken upon it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Mississippi [Mr. VARDAMAN].

Mr. VARDAMAN. On that I call for the yeas and nays.

The yeas and nays were ordered.

Mr. NORRIS. I ask that the amendment may be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. Under "Increase of the Navy," it is proposed to strike out "two first-class battleships" and in lieu thereof to insert "one first-class battleship."

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. GRONNA (when his name was called). I have a general pair with the senior Senator from Maine [Mr. JOHNSON]. Not knowing how he would vote, I will withhold my vote. If I were permitted to vote, I should vote "yea."

Mr. JONES (when his name was called). I am paired with the Senator from South Carolina [Mr. SMITH] and therefore withhold my vote. If I were at liberty to vote, I would vote "nay."

Mr. SUTHERLAND (when his name was called). I have a general pair with the Senator from Arkansas [Mr. CLARKE]. I transfer that pair to the Senator from Connecticut [Mr. BRANDEGEE] and vote "nay."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT] and therefore withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. WARREN (when his name was called). I announce my pair with the Senator from Florida [Mr. FLETCHER] and withhold my vote.

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the Senator from Louisiana [Mr. RANDELL], I vote "yea."

The roll call was concluded.

Mr. CHILTON. I have a general pair with the Senator from New Mexico [Mr. FALL], but I understand if he were present he

would vote as I would upon this amendment, and I will therefore vote. I vote "nay."

Mr. BRYAN (after having voted in the negative). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND] which I transfer to the junior Senator from Arkansas [Mr. ROBINSON] and allow my vote to stand.

Mr. MYERS. I transfer my pair with the junior Senator from Connecticut [Mr. McLEAN] to the junior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. CLARK of Wyoming. I ask if the senior Senator from Missouri [Mr. STONE] has voted?

The VICE PRESIDENT. He has not.

Mr. CLARK of Wyoming. I have a general pair with that Senator and I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. SUTHERLAND (after having voted in the negative). Since I transferred my pair to the Senator from Connecticut [Mr. BRANDEGEE] I observe that he has entered the Chamber. I therefore withdraw my vote.

Mr. SIMMONS. I transfer my pair with the junior Senator from Minnesota [Mr. CLAPP] to the Senator from Tennessee [Mr. SHIELDS] and vote "nay."

Mr. MARTIN of Virginia. I desire to announce that the senior Senator from Maryland [Mr. SMITH] is unavoidably absent and that he is paired with the Senator from Vermont [Mr. DILLINGHAM].

Mr. GALLINGER. I was requested to announce a pair between the junior Senator from Maine [Mr. BURLEIGH] and the junior Senator from New Hampshire [Mr. HOLLIS].

The result was announced—yeas 16, nays 42, as follows:

## YEAS—16.

Ashurst	Kenyon	Norris	Thompson
Bristow	La Follette	Shafroth	Vardaman
Burton	Lane	Sheppard	West
Cummins	Myers	Sterling	Williams

## NAYS—42.

Borah	Hughes	Oliver	Smith, Ga.
Brady	Lea, Tenn.	Overman	Smith, Mich.
Brandeggee	Lee, Md.	Page	Smoot
Bryan	Lewis	Perkins	Swanson
Catron	Lippitt	Pomerene	Thornton
Chamberlain	Lodge	Reed	Tillman
Chilton	McCumber	Saulsbury	Walsh
Coit	Martin, Va.	Sherman	White
Crawford	Martine, N. J.	Shively	Works
Gallinger	Nelson	Simmons	
Hitchcock	O'Gorman	Smith, Ariz.	

## NOT VOTING—37.

Bankhead	Goff	Owen	Stephenson
Burleigh	Gore	Penrose	Stone
Clapp	Gronna	Pittman	Sutherland
Clark, Wyo.	Hollis	Poinexter	Thomas
Clarke, Ark.	James	Ransdell	Townsend
Culberson	Johnson	Robinson	Warren
Dillingham	Jones	Root	Weeks
du Pont	Kern	Shields	
Fall	McLean	Smith, Md.	
Fletcher	Newlands	Smith, S. C.	

So Mr. VARDAMAN's amendment was rejected.

Mr. THOMAS. I desire to offer an amendment.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 56, beginning with line 13, strike out all the remainder of page 56, together with all of pages 57 and 58.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Colorado [Mr. THOMAS].

The amendment was rejected.

Mr. BRANDEGEE. On page 56, line 16, before the words "first-class battleships," I move to strike out "two" and insert "three."

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Connecticut [Mr. BRANDEGEE].

The amendment was rejected.

Mr. BRYAN. Mr. President, in February of this year, during the present session of Congress, Senate bill 4247 was passed, which provides for six vice admirals. The bill has been reported to the House with amendments, but on account of the congested condition of the calendar there it is feared that the bill may not be reached speedily. Inasmuch as the cause which called forth the bill in the first place is more apparent now than it was then, I offer as an amendment to this appropriation bill the bill already passed by the Senate, to come in at page 33, line 3.

The VICE PRESIDENT. The amendment will be read.

The SECRETARY. On page 33, after line 3, insert:

That the active list of the line of the Navy shall include the grade of vice admiral, which grade shall consist of six officers, four of whom shall be appointed within one year from the passage of this act, and the remainder shall be appointed as soon thereafter as practicable. Appointments to the grade of vice admiral shall be made by selection by the President, by and with the advice and consent of the Senate, from



among officers on the active list of the line of the Navy who have served with credit in the grade of rear admiral in command of a fleet, squadron, division, or other command afloat: *Provided*, That no officer shall be appointed a vice admiral until his physical fitness to perform all the duties of that grade has been established to the satisfaction of a board of medical officers appointed by the Secretary of the Navy: *Provided further*, That any officer now or hereafter carried in the grade of rear admiral as an extra number shall cease to be an extra number if appointed a vice admiral: *Provided further*, That the total number of vice admirals and rear admirals shall not exceed the number of rear admirals of both grades now provided by law.

That the annual pay of vice admirals when on sea duty, or on shore duty beyond the continental limits of the United States, shall be \$11,000; when not on such duty they shall be entitled to the pay and allowances of a rear admiral of the upper nine.

That vice admirals shall be placed on the retired list at the age of 65 years: *Provided*, That vice admirals on the retired list shall receive the pay allowed retired rear admirals of the upper nine.

That vice admirals shall be ordered to duty as commanders in chief of the United States Atlantic, Pacific, and Asiatic Fleets, or to such other duty as the Secretary of the Navy may direct.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Florida [Mr. BRYAN].

Mr. WARREN. Mr. President, I think that ought to take its regular course. I am opposed to yielding to the House and allowing them to neglect all our legislation unless we force it through on an appropriation bill. I make the point of order that the amendment is general legislation.

The VICE PRESIDENT. The point of order is sustained.

Mr. JONES. I desire to offer an amendment.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 25, line 26, after the numerals "\$155,000," insert:  
building slip and equipment, \$200,000.

Mr. THORNTON. I make the point of order against the amendment.

The VICE PRESIDENT. Will the Senator from Louisiana state his point of order? Upon what ground is it made?

Mr. THORNTON. The point of order is that there is no estimate for the amendment, and it is increasing the appropriation.

Mr. WILLIAMS. Mr. President—

The VICE PRESIDENT. The point of order is sustained. The Senator from Mississippi.

Mr. WILLIAMS. I was about to say that the point of order should not be sustained, and I was about to submit a few remarks to the Chair upon it. It is in extension and in continuance of existing work, and it is a continuing appropriation.

Mr. LODGE. I desire to offer an amendment to the bill. On page 29, line 23, I move to add \$200 to the pay of the dental surgeon at Annapolis, because that officer becomes entitled to that increase on the 15th of November, owing to longevity.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 29, line 23, add, after "\$2,400," the words, "with longevity increase of \$200, based on 15 years' service from November 9, 1914."

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Massachusetts.

The amendment was agreed to.

Mr. LODGE. I offer an amendment, to come in on page 22, line 2.

The VICE PRESIDENT. The amendment will be read.

The SECRETARY. On page 22, line 2, after the numerals "\$425,000," insert the following proviso:

*Provided*, That the laws relating to annual leave contained in section 7 of the legislative act approved March 15, 1898, and the deficiency act approved July 7, 1898, shall hereafter apply to classified civil-service per diem employees of the clerical, drafting, inspection, messenger, and watch forces at navy yards, naval stations, and other offices or stations under the Navy Department.

Mr. THORNTON. The department has advised the committee that that is utterly impracticable of accomplishment unless there should be an appropriation of about \$150,000 added to the bill. The amendment is not in order.

Mr. WARREN. Did I understand the Senator from Louisiana to make a point of order against the amendment?

Mr. THORNTON. I did not make a point of order. I dislike to make a point of order against a member of the committee who offers an amendment. I think it ought to come from some one else.

Mr. GALLINGER. In this connection, I want to express regret that I retired from the committee some time ago.

Mr. WARREN. I make the point of order, then, as I am not a member of the committee, that it is legislation.

Mr. JONES. I ask the Senator in charge of the bill why it is that a member of the committee should have more consideration as to a point of order than any other Member of the Senate?

Mr. THORNTON. For myself I can give no other reason for it except simply as a matter of courtesy to a brother committeeman; that is all.

The VICE PRESIDENT. The point of order is sustained.

Mr. LODGE. I do not contest the point of order or the decision of the Chair. I ask that a statement in regard to the amendment which I send to the desk may be printed without reading. It simply shows why I have asked for the adoption of the amendment.

There being no objection, the matter referred to was ordered to be printed in the Record, as follows:

#### MEMORANDUM CONCERNING LEAVE OF EMPLOYEES OF THE CLERICAL, DRAFTING, INSPECTION, MESSENGER, AND WATCH FORCES.

The leave of employees in the Navy Department is governed by the legislative act approved March 15, 1898, and the deficiency appropriation act of July 7, 1898. These acts give the head of a department authority to grant such employees 30 days' annual leave with pay and, under certain conditions, 30 days' sick leave in addition. (See departmental order No. 21, revised, attached hereto.) In the absence of restrictive legislation in regard to per annum employees at navy yards, etc., the above-mentioned laws are construed as governing their pay.

Section 1545 of the Revised Statutes restricts these laws from applying to per diem employees in navy yards.

The leave of per diem employees of the clerical, drafting, etc., forces at navy yards and stations is governed by the act of March 3, 1909. (See navy-yard order 198, fourth revision, p. 3, attached hereto.) This authorizes the Secretary of the Navy to grant all employees 15 days' leave with pay after they have served 12 consecutive months, and, in case of personal illness, 15 days more sick leave with pay may be given to meritorious cases.

The amendment proposed would give the per diem employees 15 days additional leave with pay, and, in certain cases, 15 days additional leave with pay in case of sickness.

The amount of the appropriation would probably not be increased, by this amendment, as leave would either be given when work was slack or the other employees would have to work that much harder in turn.

Mr. LODGE. I have one other amendment which, personally and not as a committee amendment, I desire to offer.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 3, line 17, insert the following additional proviso:

*And provided further*, That the pay of electrical-expert aids and electrical experts in the classified service of the Navy be as follows: First class, \$3,600 per annum; second class, \$3,000 per annum; third class, \$2,400 per annum; fourth class, \$1,800 per annum.

Mr. WARREN. I should like to ask if that is estimated for.

The VICE PRESIDENT. The Chair has no means of knowing.

Mr. LODGE. Does the Senator put that question to me?

Mr. WARREN. I will put it to the Senator.

Mr. LODGE. I regret to state that I think it is not estimated for.

Mr. WARREN. The amendment is clearly out of order, and I make the point of order against it.

The VICE PRESIDENT. The point of order is sustained.

Mr. CUMMINS. I offer an amendment to be inserted after line 13, page 59.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 59, after line 13, insert:

That there be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of \$8,600 for the correction of the acoustics of the United States Naval Academy chapel and auditorium, \$6,000 for the chapel and \$2,600 for the auditorium; the same to be immediately available and paid out upon the order of the Secretary of the Navy. A satisfactory bond shall be given by the contractors for the system in an amount to be fixed by the Secretary of the Navy conditioned upon the successful and satisfactory accomplishment of the improvement to the acoustics of the two buildings above mentioned. When the work is done and approved by a board composed of the chairmen of the two Naval Committees of Congress, the Secretary of the Navy, the Assistant Secretary of the Navy, the Chief of the Bureau of Navigation, and a like number familiar with the problems involved to be named by the Secretary of the Navy, the final money shall be paid: *Provided, however*, That after the installation of the new system should the acoustics of the chapel and the auditorium be not satisfactory to the above-mentioned board the said contractor shall be required to restore the chapel and the auditorium to the condition in which they were before the alterations were undertaken, without any expense to the Government.

Mr. CUMMINS. Mr. President, one word in explanation of this amendment. It is a bill introduced by the Senator from South Carolina [Mr. TILLMAN], which was referred to the Committee on Naval Affairs, and was reported favorably and passed by the Senate. We have already acted upon it. I feel no doubt about its merit, and there seems to be uncertainty with respect to its passage through the House as an independent measure. I have therefore offered it as an amendment, and I think it is a very proper one, to the naval appropriation bill.

Mr. LODGE. I desire to say, Mr. President, that this amendment, I think, is clearly in order, because it is a bill that has passed the Senate, which relieves it from the point of order that it was not estimated for, and it is not general legislation. It is an appropriation for immediate purposes of the Navy.

Mr. CUMMINS. There has been no point of order made against it.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Iowa.

The amendment was agreed to.

Mr. LEE of Maryland. I offer the following amendment.



The VICE PRESIDENT. The Senator from Maryland offers an amendment, which will be stated.

The SECRETARY. On page 58, after line 17, insert:

Any and all items which are appropriated for under the terms of this act shall be expended and accounted for in accordance with law. But the Secretary of the Navy, in estimating the actual cost of a ship built by the Government, may deduct from the cost of such ship as built under the appropriation therefor any sums which he deems not just to be charged thereto. This right to so estimate the cost of a ship shall, however, not be construed to affect any change in the purposes of the expenditures herein authorized.

Mr. MARTIN of Virginia. I make the point of order against the amendment. It has been discussed over and over here today. I simply make the point of order.

Mr. LEE of Maryland. Mr. President, I presume that the point of order is on the ground of general legislation. In discussing amendments proposed here yesterday to accomplish the same object the objection of general legislation was advanced, and the phraseology of those amendments seemed to lay them open to that objection. In this case the amendment provides nothing whatever save that which applies to an item of appropriation in this act. It is a temporary amendment because it is not general or permanent in its effect.

The Senator from Wyoming [Mr. WARREN] yesterday objected to one of the amendments offered on the ground that the terms of that amendment would enable the Secretary of the Navy actually to change the applicability of the money appropriated under a given item of appropriation, and the Senator from Wyoming was absolutely correct, in my humble judgment, in making that objection. But the proposition here advanced is one to establish and solidify the operation of the action of the appropriating clauses of this bill and to make them so strong that even though the Secretary of the Navy does exercise his lawful right to make an estimate which may differ from these appropriations, yet he does not in any way affect these appropriations; this estimate may be made without getting him in trouble with the accounting officers of the Treasury Department. Therefore this amendment is absolutely germane to the items of this appropriation bill and is not general legislation.

Mr. WARREN. Mr. President, I think the point of order is good, but I did not hear the first part of the amendment read.

The VICE PRESIDENT. It all comes back to the construction of language, and, after all, one man's constructions is not another's. It reads:

Any and all items which are appropriated for under the terms of this act shall be expended and accounted for in accordance with law.

That is the first clause. The Chair assumes that if anything becomes a part of this act, it is a law.

Mr. LEE of Maryland. After the words "in accordance," I desire to modify the amendment so as to read, "shall be expended and accounted for in accordance therewith," and omit the words "in accordance with law."

Mr. GALLINGER. Mr. President, if I understand the proposed amendment correctly, it gives the Secretary of the Navy authority to deduct items of cost on a ship constructed in the navy yards if, in his judgment, they ought to be deducted. Is that correct?

Mr. LEE of Maryland. And without affecting the items of this appropriation act; without affecting his accounting status before the Treasury Department.

Mr. GALLINGER. Ought there not, to make the matter equitable, be some person designated to do the same thing for a ship constructed in a private yard?

Mr. LEE of Maryland. Mr. President, it is perfectly obvious that the ship-constructing concerns will do that for themselves, and get it here.

Mr. GALLINGER. Yes; but it would not have the force and effect that it would have if it came from the Secretary of the Navy. Perhaps he had better do it in both cases.

Mr. LEE of Maryland. It has had a good deal of force and effect up to date, and it is only fair to suggest that some one person—the Secretary of the Navy—had better take care of the public interest involved in such estimates, as the other side seems amply able to take care of itself.

Mr. GALLINGER. I was interested the other day in listening to a debate in which two Senators, both well informed, differed very widely as to the cost of the construction of a ship in the navy yards. The Senator from Wisconsin [Mr. LA FOLLETTE] gave some statistics which seemed to be convincing as they were read, and some other Senator—I have forgotten which Senator it was—gave another list of expenditures, which differed very widely from those given by the Senator from Wisconsin. They both, I think, claimed that they were reasonably authoritative. Now, it occurs to me that if we lodge in the hands of the Secretary of the Navy the power—and I do not speak of the present Secretary of the Navy, for if we do it once

we will probably do it again—to deduct from the cost of a ship in the navy yards any charges that in his opinion seem fair and just to be deducted, it is rather a dangerous power, because it is reasonably well known that there are those in official life, both here and in the Navy Department, who are partisans for the building of ships in the navy yards, and while they probably would not do an unfair thing if they were aware of it, yet their prejudices run in that direction and they would try to make the cost of building a ship in a navy yard as low as possible. Is it not safe enough to leave it, I will ask the Senator, as it now is, to let the laws and principles governing transactions of that kind apply and to let each Senator or each Member of the other body determine for himself whether or not the charges are fair and just?

Mr. LEE of Maryland. The Senator from Virginia [Mr. MARTIN] made a suggestion here yesterday pretty much along the line of the one which the Senator from New Hampshire now makes, that the Secretary of the Navy ought to go right ahead, and when he is going to repair a dock or a navy yard that he ought to so state and apply the money.

Mr. MARTIN of Virginia. The Senator from Maryland is very much mistaken. I never suggested at any time in my life that the Secretary of the Navy should vary the application of the money from the application provided for by Congress. I never entertained such a thought or expressed such an idea. It is obligatory upon the Secretary of the Navy to expend the money in accordance with the purposes for which the money was appropriated.

Mr. LEE of Maryland. That was what interested me so much in the remarks of the Senator from Virginia, because I did not see how the Secretary of the Navy could go ahead and make an application that was not authorized by law or was not under the accounting system of the Treasury Department considered as being authorized by law.

Now, it is perfectly obvious that this expression "appropriated for the building of a ship" has from time immemorial in the Navy been construed to cover all of the incidents that went with the building of that ship. In olden times they had ship houses where they worked in the winter in the building of ships in a northern climate; perhaps they had cradles and all the essentials that went to holding together the structure, and the repair of those facilities which now are dock-yards and parts of docks and yards. Such items were charged and probably will continue to be charged to the building of the ship; and yet the United States must have yards and docks, places in which to build and repair ships, looking forward to the inevitable possibilities of war, when it must repair its ships, and repair them efficiently and speedily. Under those circumstances the United States must have these places; it must have its navy yards; it must have its docks. It is not fair, therefore, to charge the maintenance of the yards and the docks which the Government must have to the construction of ships, even though under the terms of this law and of previous laws such expenditures are made out of the money appropriated for the building of a ship. That is where the whole difficulty arises; that is where the whole confusion exists. So it is impossible for the public to get any definite conception or for the Secretary of the Navy to make any statement in behalf of the Navy, or for any competition to be started between two navy yards that will actually show what the ships built by the Government actually cost the Government to construct. That is the object of the amendment, to state cost of shipbuilding without regard to other items; and the amendment is so drawn that it clearly does not come under the objection of being general legislation. It simply permits the Secretary of the Navy to do this thing, and prevents his so doing from interfering with the terms of this appropriation bill.

Mr. GALLINGER. Mr. President, it occurs to me that it practically delegates legislative power to the Secretary of the Navy; but, however that may be, I will say that with some hesitation I voted on yesterday to build one of the proposed battleships in a Government navy yard. In doing so, however, I voted the conviction, at least, that the navy yard would be given no advantage over a private concern in the matter of cost. If it shall develop, and can be satisfactorily shown, that it costs any considerable amount more to build ships in navy yards my inclination would be to vote against building ships in the navy yards, although I am a friend of the yards; I am a friend of the workmen there employed, and I should like to keep them occupied; but, after all, we must take a broader view than that. I will simply content myself by saying that I think this is rather a dangerous power to put in the hands of the Secretary of the Navy; and, while it might not be abused to any great extent, yet there is an apprehension, in my mind



at least, that we might regret having indorsed legislation such as has been suggested.

The VICE PRESIDENT. The Chair would like to ask the Senator from Maryland whether this clause—

This right to so estimate the cost of a ship shall, however, not be construed to effect any change in the purposes of the expenditures herein authorized—

is meant to authorize, or is understood as authorizing, the Secretary of the Navy in the construction of a ship to charge to some other appropriation under this bill anything that may either go into the ship or may necessarily be erected or utilized for the purpose of constructing the ship?

Mr. LEE of Maryland. Mr. President, I should say not. It simply authorizes the Secretary of the Navy, as it were, to cancel that latter type of expenditure with reference to the computation of the actual cost of the ship. It does not in any sense affect what he must do under the terms of this act, but, quite the contrary, it is intended to preserve the terms of this act, even should the Secretary exercise the right, which he probably could exercise to-day, of deducting certain items from the cost of the construction of a ship in making an estimate of strict construction costs. Suppose he did make such a deduction, Mr. President, what would be the effect of it? It would complicate the \$7,800,000 appropriated for the battleship; that is all; and without authorization for such estimated reduction he might have to ask for a deficiency appropriation or something of that kind.

Mr. CLARK of Wyoming. Mr. President—

Mr. LEE of Maryland. If the Senator will excuse me for one moment, I wish to add that for this reason this amendment tends to strengthen and protect the provisions of this act.

Mr. CLARK of Wyoming. Mr. President, I want to ask the Senator from Maryland a question. I am not familiar at all with the operations of our navy yards or with the construction of ships, and I want to ask the Senator from Maryland, in view of this amendment, whether or not it has been the custom in our navy yards to reckon or charge up against the cost of the construction of a ship any items of expense that do not properly there belong?

Mr. LEE of Maryland. I infer from the general drift of this debate that that has been the fact.

Mr. TILLMAN. I say, unhesitatingly, yes.

Mr. CLARK of Wyoming. That being the case, I should like to know what those items of construction may be that have been improperly charged to the account of the ship? That is the purpose of my inquiry.

Mr. LEE of Maryland. Mr. President, I think the Senator's question is entirely too comprehensive to be answered without consultation with the responsible authorities of the Navy; but it is perfectly obvious that there have been substantial items included in the cost of these ships that tend to create a fictitious appearance of expenditure that somebody wants to keep as a cloud over the situation.

Mr. CLARK of Wyoming. Then, it seems to me, Mr. President, that some action ought to be taken in regard to the officers of our Department of the Navy who make charges against the construction of a ship that do not properly there belong. It does not seem to me that it is a difficulty which we can guard against by law, but it is something for which the officers responsible should be "jacked up."

Mr. HUGHES. Mr. President, I do not think it is possible for anybody to answer the question propounded by the Senator from Wyoming, at least within the limits of ordinary debate; but there is no doubt that costs have been juggled in various yards, and not necessarily with any improper motive. In fact, I do not know of anything more difficult right now than to perfect a correct system of cost keeping in connection with Government construction. I am certain that I myself would not attempt to install a method of fixing costs, and I do not know of anybody who could do so.

Mr. CLARK of Wyoming. No; but if the Senator himself were running a shipyard and building a ship, I have an idea that he would know exactly what that ship cost to turn out.

Mr. HUGHES. I would.

Mr. CLARK of Wyoming. And I do not see how there is any great difficulty, when the Government itself constructs a ship, of ascertaining, as a matter of fact, exactly what the cost of that ship is.

Mr. HUGHES. There are greater difficulties, I will say to Senators in connection with Government construction than in connection with private construction. If I went into the ship-building business to-morrow, the first thing I would have to do would be to buy real estate, and on that real estate I would have to construct buildings. Then I would have to install machinery. My bills would show me what that cost was; but the

Government is in a different position, and when an attempt is made to discover the overhead costs that should be charged to the Government, experts will differ as to what should properly be included. As I said on another occasion, I remember one instance where overhead charges were juggled to such an extent that a \$300 pump was made, apparently, to cost the Government \$1,500.

Mr. CLARK of Wyoming. Well, that comes right back to the statement that I made before, that it is altogether the fault and crime of the officer who makes the computation, and we can not by legislation of this sort correct that.

Mr. HUGHES. I would not say that it was a fault or a crime.

Mr. CLARK of Wyoming. I think it is a fault or a crime for any public official to juggle figures in the discharge of his duty. I use the same term the Senator used.

Mr. HUGHES. I would not say that it was a fault or a crime; it may have been a mistake; it may have been a mistake in judgment and it may have been for a perfectly proper purpose at the time; but it would not matter very much what the cost was if we were familiar with the method of obtaining the cost figures. What we need is some standard system of accounting.

Mr. WEST. Mr. President—

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Georgia?

Mr. HUGHES. I do.

Mr. WEST. In the overhead charges in connection with the construction of a battleship ought not part of the upkeep and deterioration of the plant be included?

Mr. HUGHES. Of course; but I was not speaking of a battleship in particular. There is an infinite variety of articles that are made at navy yards, with reference to which it is much more difficult to fix overhead charges and costs than it would be in the case of a battleship.

Mr. SMOOT. Mr. President, I have heard a number of Senators discuss the same question heretofore, but it does not seem to me that it should be difficult for the Government in running a factory, in constructing battleships or anything else, to ascertain the overhead charges, any more than it would be for a private concern to do so. The only difference would be that the Government has not the real estate to purchase, perhaps, and therefore its overhead charges would not include the interest upon the real-estate investment; but all business men know what are the overhead charges of any business. They are charges that are to be paid by the business, but which do not of themselves create a portion of the product of the plant, such as taxes, such as secretaries, bookkeepers, foremen, managers, and everything that has to be paid for by the institution which does not enter into the direct making of the article itself.

The Government can ascertain such charges just as well as can a private concern. It does seem to me that if there has been any juggling of figures in the past that it is wrong; and there is no necessity for it. It has not been done for any good purpose, nor to arrive at any real information as to the cost of producing any article.

Mr. HUGHES. I agree in the main with the Senator. It should be easy enough for the Government to arrive at what the overhead charges really are.

Mr. PAGE. May I interrupt the Senator?

Mr. HUGHES. Certainly.

Mr. PAGE. The Senator from Utah [Mr. Smoot] says, very properly perhaps, that it is perfectly easy to tell what are and what are not overhead charges. I think he is mistaken on that point.

Mr. SMOOT. I never found any trouble in doing so.

Mr. PAGE. For instance, in building a large battleship you may be compelled to put in a lot of new machinery for building that particular ship. The question then arises in the mind of the manufacturer, is that machinery something that he will be likely to use in making another ship hereafter, or will the use for that added machinery terminate when he builds the one ship? It is a matter which every manufacturer has to consider with a great deal of care.

Mr. HUGHES. That is true.

Mr. PAGE. It has been said that a man can invoice himself rich or poor in his income each year according as he is willing to be conservative or otherwise with regard to his overhead charges.

Mr. HUGHES. Undoubtedly that is true, and that is one of the difficulties; but that difficulty confronts the private manufacturer just as it confronts the Government. The comptroller's decision was made on that very question.

The Senator has cited an instance which is of rather common occurrence, I imagine. I remember that at one time Congress



appropriated a large sum of money for the purchase of a crane for the Brooklyn Navy Yard, and the particular type of ship which they were about to build could not be constructed unless they had this crane. The manufacture and installation of the crane cost a tremendous sum of money. It is quite within the bounds of possibility that the navy yard could have been employed immediately after the construction of the ship for which the crane was purchased in the construction of smaller craft for which the crane would have been absolutely useless. The question, then, at once confronted the man who was making up the overhead cost on the smaller type of craft which did not need the crane, whether that tremendously expensive equipment should be charged partly against them or whether it should all have been charged against the battleship.

Whatever the ship may be, however, there ought to be a system; and whatever it is, we ought to know what it is, and we ought to know what it is in detail, because without any question of crime or fault, but perhaps only through a mistake of judgment, an officer of the Navy might charge all of the overhead expense either against the big ship or against the smaller ships and do injustice, as far as the particular piece of construction is concerned, to one or the other.

Mr. SMOOT. The trouble about that is that the crane should not have been charged to either ship. It was machinery, and it should have been charged to that account, and not to overhead expenses.

Mr. HUGHES. That is the Senator's judgment. That perhaps might be my judgment, but that might not have been the judgment of the officer who assigned the particular charge. Whatever is done, we ought to know how it is done, and there ought to be some way for us to settle this long-mooted question with reference to the cost of the construction of battleships by the Government.

Mr. WARREN. Mr. President, will the Senator permit an interruption?

Mr. HUGHES. Certainly.

Mr. WARREN. It seems to me we are getting far afield. The question is not as to cranes; the question is whether this is proper legislation in an appropriation bill.

Mr. HUGHES. I am anxious to have the Government put in a position to install some method whereby Congress can tell something about these overhead charges. I am not altogether familiar with the amount of law we have on the subject at the present time.

Mr. WARREN. Mr. President, the very argument the Senator is using—

Mr. SHEPPARD. Mr. President, a point of order.

The VICE PRESIDENT. The Senator from Texas will state his point of order.

Mr. SHEPPARD. Has this amendment been submitted to the Senate by the Chair?

The VICE PRESIDENT. It has not.

Mr. SHEPPARD. I make the point of order that the debate is out of order.

Mr. REED. Mr. President, I hope the Chair will permit me to say a word on the question of order.

Mr. SHEPPARD. I insist on the point of order.

Mr. WARREN. I thought I had the floor to address myself for a moment to the point of order. I have no objection to yielding, of course.

Mr. REED. I did not know the Senator intended to address himself to it. I simply did not want to—

The VICE PRESIDENT. The Senator from Texas makes a point of order, and asks whether this discussion is going on under a submission of the question to the Senate. The Chair has no intention of submitting it to the Senate. The Chair intends to rule on this question.

Mr. SHEPPARD. I insist on the point of order, that the debate is out of order.

Mr. REED. Mr. President, a parliamentary inquiry. Has the point of order yet been made against the proposed amendment?

The VICE PRESIDENT. It has been.

Mr. SHEPPARD. I insist on the point of order.

The VICE PRESIDENT. As there probably will be an appeal from the ruling, the Chair will rule, and then there will be an opportunity—

Mr. GALLINGER. If I may be permitted a word, Mr. President, it is competent for the Chair to hear argument, if the Chair sees fit to do so, on the point of order. Now, is it competent for a Senator, while the Chair is permitting that privilege, to make a point of order against the debate? The Chair can terminate it at any moment.

Mr. HUGHES. Mr. President, so far as I am concerned, I was discussing the merits of the proposition.

The VICE PRESIDENT. Yes; the point of order was not being discussed.

Mr. HUGHES. I was speaking without any strict right to do so, and I therefore have no objection to the interruption of the point of order.

The VICE PRESIDENT. The Chair thinks the Senator from Texas was not objecting to the Chair's hearing Senators upon the point of order, but was objecting to the general discussion of the amendment.

Mr. SHEPPARD. I insist on the point of order, that the debate is out of order.

The VICE PRESIDENT. While the Chair is ready to rule, the Chair will hear what the Senator from Wyoming has to say.

Mr. WARREN. I have only a word to say on the point of order. Of course, the matter is very much the same as the one that came up yesterday. It is simply an effort to get under the fence instead of going through it. In this particular amendment we are delegating legislative power to the Secretary of the Navy, which would be, of course, against our rules. This is not estimated for. Besides that, it is general legislation, and it strikes at the very fundamental rule of appropriation bills in that it seeks to give the Secretary of the Navy authority to use money appropriated for one purpose to expend it on another.

The VICE PRESIDENT. The Chair will hear from the Senator from Missouri, who desires to be heard on the point of order.

Mr. REED. Mr. President, may the amendment be stated from the desk?

The VICE PRESIDENT. The Secretary will again state the amendment.

The SECRETARY. On page 58, after line 17, it is proposed to insert:

Any and all items which are appropriated for under the terms of this act shall be expended and accounted for in accordance therewith and in accordance with law; but the Secretary of the Navy, in estimating the actual cost of a ship built by the Government, may deduct from the cost of such ship as built under the appropriation therefor any sums which he deems not just to be charged thereto. This right to so estimate the cost of a ship shall, however, not be construed to effect any change in the purposes of the expenditures herein authorized.

Mr. REED. Mr. President, the point of order that this is general legislation, if it is sustained, I think goes further than we ought to go.

I understand the distinction between general legislation and legislation with reference to the particular appropriation before the Congress to be that you can not, under the guise of an appropriation, attach to it some legislation of a general character—that is, of a character which goes beyond the general purpose of the appropriation—but that you can change the direction of the appropriation, you can add conditions to the appropriation, you can raise the appropriation, or you can lower it.

If I am sound in that, then the point of order, I think, is not well taken.

Let me illustrate. We bring in an appropriation for \$50,000 for a certain item. Nobody questions the fact that you can increase that appropriation or you can lower that appropriation here in the Senate, and you are not out of order when you do so.

Mr. WARREN. Mr. President, the Senator certainly does not mean that we can exceed the estimates—that anyone on the floor of the Senate can move an amendment to exceed the estimates for any or all objects of expenditure and still be in order?

Mr. REED. I am discussing the other question.

Mr. WARREN. The rule in regard to points of order is specific, to the effect that we can not exceed the estimates for the several items of : appropriation in an appropriation bill, unless the item sought to be increased has gone to a committee and has been properly recommended by the committee.

Mr. REED. Mr. President, if I may be permitted to proceed on the question whether this is general legislation or not, I will come to the other question later. I can not discuss both of them at once.

You can raise an appropriation without being guilty of violating the rule against general legislation; you can lower it; you can provide for the expenditure of the appropriation in a particular way as long as the particular way in which it is to be expended comes within the general purview and object of the appropriation itself. If you could not do that, then the Senate never could amend an appropriation bill, and the House could not amend certain bills which we might pass.

The distinction between general legislation and legislation which affects the particular item is a very plain one in most instances. You can not take an appropriation bill and put in legislation which affects other matters than the appropriation, because that is general legislation; but when you simply affect the appropriations that are provided for it is not general legislation; it is legislation that is confined to the subject matter of the bill, and to the very item you are considering.

Who is there who will dispute that if we were appropriating money for the purpose of building a battleship we could say



that in the building of that ship certain plans and specifications should be followed? It is part of the appropriation. It is part of the very purpose of the appropriation. We are simply directing how the appropriation shall be expended. It would be quite a different thing, however, to add to an appropriation for a battleship a provision relating to agriculture, because that is legislation of a general character.

I maintain that as long as the qualification which we add by way of an amendment bears direct relation to the expenditure of the particular money that is appropriated and comes within the general objects of that appropriation, it is not general legislation at all.

Mr. WARREN. But, Mr. President, the appropriations already made in the bill are for specific objects, each one having its own amount of money and its use. This amendment proposes, in one of the sections, to assemble all of those and make them accessible to draw on for entirely different purposes from those for which we have made the appropriations.

Mr. REED. Accordingly, I claim that when the Senate is called upon to vote six or seven million dollars for a battleship it can lay down the rule by which that money is to be expended without being guilty of general legislation. It is not general; it is special. It is a special direction and qualification applied to that particular item of appropriation. It is a mere limitation upon the appropriation.

I wish first to try to make that point plain, if I am correct in it. I may be in error, but I feel very confident of it. Then I wish to proceed to the other questions that have been raised by the Senator.

In the Precedents of the Senate, at page 54, is this item:

No subject is more widely discussed in the Senate during the consideration of appropriation bills and amendments thereto than the question, "What is general legislation on a general appropriation bill?"

The Century Dictionary says: "General legislation, that legislation which is applicable throughout the State generally, as distinguished from special legislation, which affects only particular persons or localities."

"Or a particular subject matter" might have been added.

"Local legislation, local statute, such legislation or statute as is in terms applicable, not to the State at large, but only to some district or locality and to the people therein."

Bouvier (vol. 1, p. 877): "General law (legislation), laws which apply to and operate uniformly upon all members of any class of persons, places, or things, requiring legislation peculiar to themselves in the matters covered by the laws." "Statutes which relate to persons and things as a class. Laws that are framed in general terms, restricted to no locality, and operating equally upon all of a group of objects which, having regard to the purpose of the legislation, are distinguished by characteristics sufficiently marked and important to make them a class by themselves."

Now, a little further:

"General," with reference to the subject matter of the statute, is synonymous with "public" and opposed to "private," but with reference to the extent of territory over which it is to operate, it is opposed to "local." \* \* \* and means that the statute to which it applies operates throughout the whole of the territory subject to the legislative jurisdiction." \* \* \* "Further, when used in antithesis to 'special,' it means relating to all of a class instead of to men only of that class." \* \* \* "In deciding whether or not a given law is general, the purpose of the act and the objects on which it operates must be looked to." \* \* \*

I take it that applying that language—which, of course, was written by law writers with reference to statutory law rather than to a point of order—it means that the philosophy of it is this: Whenever an amendment is offered which is not confined to the purposes of the appropriation bill and does not undertake to regulate and control the appropriation bill, but goes outside of that and undertakes to regulate other subjects, it becomes general legislation. But as long as it is confined to the subject which is embraced within the appropriation bill, and directs how the particular appropriation shall be expended, how the books shall be kept, how the accounting shall be had, it is a part of the appropriation bill. It is not general in its character; it is special in its nature; and therefore it is not subject to the point which has been raised.

Now, there are a number of decisions under the different subheads in which this question is discussed. On the Agricultural appropriation bill, in the Fifty-first Congress, on a reported amendment to the Agricultural bill, which reads:

That any manufacturer of sugar from sorghum may remove from distillery warehouses to factories used solely for the manufacture of such sugar from sorghum distilled spirits in bond free of tax—

And so forth. The Senate by a vote of 29 to 23 decided that it was not general legislation on an appropriation bill.

Mr. GALLINGER. But, Mr. President, does the Senator lay great stress upon the decision of the Senate upon a point of order?

Mr. REED. I hope we will be able to lay greater stress as the years go on.

Mr. GALLINGER. Yes.

Mr. REED. I am citing it for just what it is worth. I have no lamp by which my feet are guided except the lamp of precedent.

Mr. GALLINGER. But has not the Senator observed that the Senate frequently decides a point of order without very much reference to the rules?

Mr. REED. I think too often.

Mr. GALLINGER. I think so.

Mr. REED. I admit the value of the Senator's criticism, and therefore I am appealing to the Senate that it now decide this question upon its real merit, not to decide it upon the question whether they want the amendment to pass or not to pass.

Manifestly the citation I have given, if it be good parliamentary law, would admit this amendment, because you will observe that that was an amendment which did not either raise or lower the appropriation, but it added to the bill itself a direction as to the handling of the subject matter with reference to which the appropriation was made.

In the Sixtieth Congress I find this note:

On the question to agree to the reported amendment on page 55, after line 23, viz: "Commission on Country Life: For all necessary expenses to enable the Secretary of Agriculture to digest, compile, and publish the material already gathered by the Commission on Country Life, including the employment of the necessary clerical assistance in the city of Washington and elsewhere, \$25,000."

Mr. Kean raised a question of order, viz, that the amendment as amended proposed general legislation to a general appropriation bill, and was therefore not in order.

You will observe that while this amendment had relation to the subject matter for which money was being appropriated and appropriated an additional sum of money, it went further and created a commission, and yet it was held by a vote of the Senate that that could be done. It added a new proposition.

If you can raise the amount or lower the amount, then you ought to be allowed to do those things necessary to the proper raising or the proper lowering or the proper expenditure of that amount. It is not general legislation because it applies to the particular subject matter included within the appropriation bill.

Is it possible that if the House of Representatives sends us a bill appropriating money for six battleships the Senate could not add an amendment requiring one or more of those vessels to be built according to certain plans and specifications or to be built in a Government yard or to carry an armament of a certain size? That is not general legislation. It is legislation which has to do solely and alone with the question how the money is to be expended which we are then and there appropriating. It is not necessary to go as far as was gone in this precedent in order to add these qualifications to the expenditure of the money which we may desire to add.

Under appropriations for the Army in the Fifty-sixth Congress the amendment which was offered was as follows:

All military, civil, and judicial powers necessary to govern the Philippine Islands acquired from Spain by the treaties concluded at Paris on the 10th day of December, 1898, and at Washington on the 7th day of November, 1900, shall, until otherwise provided by Congress, be vested in such person and persons and shall be exercised in such manner as the President of the United States shall direct for the establishment of civil government and for maintaining and protecting the inhabitants of said islands in the free enjoyment of their liberty, property, and religion: *Provided*, That all franchises granted under the authority hereof shall contain a reservation of the right to alter, amend, or repeal the same.

Mr. Pettus raised a point of order, namely, that the amendment proposed general legislation to a general appropriation bill, and was therefore not in order, under the third clause of Rule XVI.

The President pro tempore submitted the question to the Senate, and the Senate decided the amendment to be in order by a vote of 39 to 23.

I am frank to say, without having examined the bill itself, but assuming it to be a mere appropriation bill, it seems to me that this particular decision went too far. It seems to me that the subject with reference to which Congress was then legislating probably was enlarged by this particular amendment; but it goes to show that the hard and fast rule that the Senate can do nothing to an appropriation bill except to pass it is not the correct rule.

Mr. President, I do not know that I have succeeded at all in making the point that I have in mind clear to the Senate. It seems to me to be clear. I maintain that the term "general legislation" means that class of legislation which does not have relation to the appropriation, which does not provide for the method of its expenditure, which does not provide for the character of accounting, but proposes to go outside of the subject matter and engage in the enactment of some general law which is not confined to the appropriation; but as long as you are confining the question to the appropriation, and determining how the appropriation shall be expended, it is not general legislation.



Accordingly, I hold that if the House of Representatives were to send us a bill containing an appropriation for the purpose of building a fortification at one end of the canal, and the Senate should add a provision that no part of the money shall be expended until a treaty of a certain kind shall have been negotiated, it would not be general legislation, because it affects that particular appropriation. We could provide that no part of the money should be expended for a given time, and it would not be general legislation, because it is affected that particular appropriation. But if the bill said nothing whatever in regard to an appropriation for the canal, and was dealing with an entirely different subject, and then we sought to provide that no money should be expended to put in fortifications at the canal until certain treaties had been negotiated, it would be of a general character, and might be subject to a point of order.

Mr. President, so far as that is concerned, I think that is clear. There is another question which has been raised here in regard to the estimates not having been made. There is not a dollar that will be affected by this amendment that has not been estimated for and is not covered by the present estimates.

The VICE PRESIDENT. There is more general legislation than is embraced in the definition of general legislation in Bouvier's Law Dictionary, and some of the things that are defined as general legislation in that dictionary have been held by the courts not to be general legislation.

The Chair is quite satisfied that the ruling of the Chair yesterday upon the amendments as presented then were correct. There is a statute of the United States of America which is applicable to all the officers of the Government, and consequently a general statute, because it applies to a class of people, declaring that they shall not make any expenditure of public money except in accordance with an appropriation made by the Congress of the United States and after an estimate therefor. That is not the exact language, but that is the substance of the statute.

The amendments presented yesterday simply struck out every appropriation in this naval bill and made a lump sum of it and turned it over to the Secretary of the Navy to expend as he pleased, using his own judgment as to what should be done with this fund, that fund, and the other fund, if any charge was to be made at all. But the amendment presented to-day is of a different character. The Chair has very carefully read this amendment, and takes into consideration in ruling upon it the statement of the Senator from Maryland that it is not his intention in the amendment to suffer or permit the Secretary of the Navy to add a dollar for any single purpose except as the same has been appropriated in this bill, and that the sole purpose of the amendment is to permit the Secretary of the Navy hereafter, if he chooses to do so, to make an estimate as to the actual cost of a ship; in other words, to permit him, according to his opinion, to deduct from the \$7,800,000 appropriated for one of these ships any sums of money which he thinks ought not to have been legitimately charged up to that ship. But the amendment does not permit him to shift the different appropriations in the bill or to extend it otherwise than the bill itself provides.

The amendment does not, therefore, seem to the Chair to be general legislation. It appears to be simply a special permission in the bill given to the Secretary of the Navy, if he chooses to avail himself of it, to estimate what, in his opinion, one of these battleships did actually cost.

It is not for the Chair to say what value such an estimate as that may have in the future. That is no business of the Chair. The Chair believes that the amendment simply authorizes the Secretary of the Navy at any time when he wants to say what one of these ships cost to deduct from the items that he has paid out in the construction of the ship such items as he thinks ought not to have been legitimately charged against the building of the ship. The Chair overrules the point of order.

Mr. WARREN. Mr. President, the construction that the Presiding Officer gives the amendment is different from what I understood from the portion that I heard read, and as we all ought to know what it is the Chair decided I ask that the Secretary may read the amendment.

The VICE PRESIDENT. The Secretary will read it again. If the Chair believed that the amendment would authorize the Secretary of the Navy to expend any one of the items estimated for and contained in the bill otherwise than as the appropriation is made in the bill, the Chair would sustain the point of order.

Mr. GALLINGER. I should like to hear the amendment read.

The VICE PRESIDENT. The Secretary will read the amendment. There was a modification made by the Senator from Maryland.

Mr. WARREN. I wish it read as it is now before the Senate. I understand from what the Chair has stated that it merely gives to the Secretary the power to estimate what was its cost.

The VICE PRESIDENT. That, in the opinion of the Chair, is what the amendment really means. The Secretary will read it.

The Secretary read as follows:

Any and all items which are appropriated for under the terms of this act shall be expended for and accounted for in accordance therewith. But the Secretary of the Navy, in estimating the actual cost of a ship built by the Government, may deduct from the cost of such ship as built under the appropriation therefor any sums which he deems not just to be charged thereto. This right to so estimate the cost of a ship shall, however, not be construed to affect any change in the purposes of the expenditures herein authorized.

Mr. WARREN. It seems to me that the Senator who offers the amendment should qualify it a little further and say that the Secretary may deduct from the estimated cost. That can be easily effected by adding a word. It reads:

But the Secretary of the Navy in estimating the actual cost of a ship built by the Government may deduct from the cost.

I think it should read that he "may deduct from the estimated cost."

The VICE PRESIDENT. Is there any objection to that modification?

Mr. LEE of Maryland. I object to it for the reason that the cost is the legal cost, and the estimated cost is what we are trying to get at. The cost is provided by this appropriation bill, and to use any other expression would be antagonistic to the appropriation. That is particularly what I am trying to avoid.

Mr. WARREN. The language is a little ambiguous if you do not expect to spend any money and only estimate it. That is the suggestion I have to offer.

The VICE PRESIDENT. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. KENYON. I offer an amendment as a separate paragraph, to come in on page 61, between lines 7 and 8.

The VICE PRESIDENT. The amendment will be read.

The SECRETARY. On page 61, after line 7, insert:

That for the purpose of obviating the growing expenditures by the powers of the world to maintain the military forces of such powers, and to reduce such expenditures, and to secure an agreement by all the formidable nations of the world for the immediate suspension of the present naval-construction program, the President be, and is hereby, empowered to invite delegates from the countries of the world to meet in Washington, in the District of Columbia, in the United States, during the autumn months of the year 1914, to deliberate upon and to take action to secure the approval of such agreement; and to provide for the reception of said delegates and to carry out on the part of the United States the terms and conditions of such agreement a sum sufficient in amount therefor, not exceeding \$5,000, be, and the same is hereby, appropriated, out of any money in the Treasury not otherwise appropriated, and the Secretary of the Treasury is hereby authorized to pay said sum to the Secretary of State for the disbursement of the same for said purposes.

Mr. THORNTON. I make the point of order against that amendment.

Mr. KENYON. What is the point of order?

The VICE PRESIDENT. The Chair is not advised as to what is the point of order.

Mr. LODGE. It is general legislation, and it is an unestimated item proposed on an appropriation bill.

The VICE PRESIDENT. The point of order is sustained.

Mr. GORE. Mr. President, I offer an amendment, which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Oklahoma will be stated.

The SECRETARY. On page 26, line 24, after the numerals "\$100,000," it is proposed to insert:

For fuel-oil storage, at some point accessible to the oil fields of Texas and Oklahoma, to be determined by the Secretary of the Navy, \$150,000.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Oklahoma.

Mr. LODGE. Mr. President, I make the point of order against that amendment, that it is not estimated for, and that bill contains a provision for storage tanks. This is proposing to vote unobligated balances for a purpose not estimated for.

Mr. GORE. The Senator misapprehends the amendment. I ask that it be again stated, and I hope the Senator will not interpose a point of order against it.

The VICE PRESIDENT. The Secretary will again read the amendment.

The Secretary again read the amendment proposed by Mr. GORE.

Mr. LODGE. I did not misapprehend the amendment. It proposes an item which is certainly not estimated for. Fuel-



oil storage is provided for in the bill; every item that was estimated for is there; and this item is not estimated for. The committee knew nothing about it.

Mr. GORE. Mr. President, the reason I made the suggestion that the Senator from Massachusetts misapprehended the amendment was the fact that I had offered another amendment which used language which the Senator began to quote. I will say to the Senator that the bill does make provision for the storage of oil at some point in Rhode Island and at Norfolk, in Virginia; I think at the latter place making an appropriation of \$150,000 and at the former \$20,000. The bill also makes an appropriation for the storage of oil on Puget Sound, carrying \$105,000; an appropriation of \$100,000 for the storage of oil at San Francisco; and \$50,000, I believe, for the storage of oil at San Diego, Cal. There is, however, no provision made for the storage of oil at any point on the Gulf of Mexico. There is at least a remote possibility that there may be some occasion for the use of oil in that vicinity; and as the point referred to in the amendment is in the vicinity of one of the largest oil fields in the United States, it had seemed to me that it would be wise and expedient to provide for the storage of oil in that locality. I hope the Senator from Massachusetts will not insist on his point of order.

Mr. LODGE. Well, Mr. President, I have no objection to having one oil storage tank put on the Gulf, if it is thought to be necessary. It is not estimated for, but I am perfectly willing to withdraw the point of order.

The VICE PRESIDENT. The point of order is withdrawn, and the question is on agreeing to the amendment.

Mr. GALLINGER. I renew the point of order, Mr. President.

The VICE PRESIDENT. The Chair sustains the point of order.

Mr. O'GORMAN. Mr. President, I propose to offer an amendment, which I shall send to the desk. Before the amendment is read, however, I desire to call the attention of Senators to a change that I think should be made in the bill. On page 60 there is a provision, beginning at line 9, which reads as follows:

Of each of the sums appropriated by this act, except such amounts as may be required to meet obligations authorized in previous acts and for which contracts have been made, no part shall be used to procure through purchase or contract any vessels, armament, articles, or materials which the navy yards, gun factories, or other industrial plants operated by the Navy Department are equipped to supply.

The provision is that no such purchases shall be made if the navy yards are equipped to supply them. Then follow several exceptions, and among them are the following:

Unless such Government plants are operated approximately at their full capacity for not less than one regular shift each working day, except when contract costs are less than costs in said Government plants, and except when said Government plants are unable to complete the work within the time required, and except in cases of emergency.

The purpose of the amendment which I shall have read is that no such purchases shall be made elsewhere, provided the Navy Department can supply them, except when the Government plants are unable to complete the work within the time required, and in cases of emergency. I think those two exceptions are sufficient, and that they should not be extended by the other exceptions, by which, taking them as the words apparently mean, the power is conferred upon the head of the Navy Department in any case to go outside and make his purchases if this language is to be retained.

Mr. LODGE. I should like to hear the amendment. I confess I do not understand it.

The VICE PRESIDENT. The Secretary will state the amendment proposed by the Senator from New York.

The SECRETARY. On page 60, beginning in line 10, after the words "Government plants," it is proposed to strike out the following words:

Are operated approximately at their full capacity for not less than one regular shift each working day, except when contract costs are less than costs in said Government plants, and except when said Government plants—

So that, if so amended, the paragraph will read:

Of each of the sums appropriated by this act, except such amounts as may be required to meet obligations authorized in previous acts and for which contracts have been made, no part shall be used to procure through purchase or contract any vessels, armament, articles, or materials which the navy yards, gun factories, or other industrial plants operated by the Navy Department are equipped to supply, unless such Government plants are unable to complete the work within the time required, and except in cases of emergency.

Mr. WARREN. Mr. President, I do not oppose the amendment, but I should like to call the attention of the Senator proposing it to page 18, line 18, and the language following, which reads:

Purchase and manufacture of smokeless powder, \$1,150,000: *Provided*, That no part of any money appropriated by this act shall be

expended for the purchase of powder other than small-arms powder at a price in excess of 53 cents a pound:

But the crux of the case is in the following language:

*Provided further*, That in expenditures of this appropriation, or any part thereof, for powder, no powder shall at any time be purchased unless the powder factory at Indianhead, Md., shall be operated on a basis of not less than its full maximum capacity.

I only suggest that the same attention which the Senator is giving to the paragraph which he proposes to correct should be given, I think, to that.

Mr. O'GORMAN. I see no inconsistency between those two provisions. They can be read together and are quite in harmony.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from New York.

Mr. SWANSON. I make the point of order against the amendment that it is general legislation.

Mr. O'GORMAN. I do not know—

Mr. LODGE. The amendment proposes to strike out the text of the bill.

Mr. SWANSON. The provision proposed to be stricken out is a statute and has been carried in the law for a long time. It is simply, as I understand, a reiteration of the existing law, and is carried in the appropriation bill every year.

Mr. O'GORMAN. Does the Senator offer that as a reason in support of his point of order?

Mr. SWANSON. The provision affects the conditions under which the Government can do its own work. We have appropriated \$500,000 for a powder plant; and it seems to me the Government ought to operate it to its fullest extent, except when powder can be purchased elsewhere. I do not know the purpose of the amendment or the effect of it.

The VICE PRESIDENT. The Chair does not know either; but the Chair thinks that a motion to strike out from the bill is always in order.

Mr. SWANSON. Not if it is a general statute which is proposed to be stricken out and the amendment changes existing law.

The VICE PRESIDENT. The language could be stricken out of the bill without being stricken out of the statute.

Mr. LODGE. Mr. President, if I may be heard for one moment on the point of order, the provision which the Senator from New York seeks to strike out is a part of the House bill and is open, of course, to amendment in any form, to strike out, to change, or to in any way modify.

Mr. SWANSON. The point I make is this: As I understand, this provision is a general law governing certain purchases made by the Government; it is a general statute, and is simply carried in the appropriation bill. The amendment of the Senator from New York would change existing law in connection with Government purchases and Government work.

Mr. LODGE. It is a provision carried in the Naval appropriation bill from year to year.

The VICE PRESIDENT. The point of order is not well taken. The question is on agreeing to the amendment submitted by the Senator from New York.

The amendment was agreed to.

Mr. O'GORMAN. I offer another amendment, to which the attention of the Senate was called a day or so ago by the Senator from Iowa. On page 58, beginning at line 18, there is this provision:

The Secretary of the Navy shall build any of the vessels herein authorized in such navy yards as he may designate, should it reasonably appear that the persons, firms, or corporations, or the agents thereof, bidding for the construction of any of said vessels have entered into any combination, agreement, or understanding the effect, object, or purpose of which is to deprive the Government of fair, open, and unrestricted competition in letting contracts for the construction of any of said vessels.

I seek to amend that by providing that "except where otherwise directed" the Secretary of the Navy may do so and so. If the language remains as it is on page 58, he might have a power which would nullify an express provision on a preceding page instructing him with respect to the construction of the two battleships.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. O'GORMAN. I ask that the amendment be read.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. On page 58, line 18, before the words "Secretary of the Navy," it is proposed to insert "except where otherwise directed," so as to read:

Except where otherwise directed the Secretary of the Navy shall build—

And so forth.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.



Mr. LA FOLLETTE. Mr. President, whatever difference of opinion may exist as to the advisability of the Government establishing an armor-plate plant or of adopting the recommendation of the Secretary of the Navy that we should provide for the Government furnishing and refining its own oil for the use of battleships, I am sure that there can not be any difference of opinion among Senators as to the value of any proposition that will protect the integrity of the work done under contract for the Government.

Abundant evidence has been developed in the investigations made from time to time by Congress that the Government has been defrauded on work performed for it by private parties, and I am going to offer an amendment that I think will aid in protecting the Government from being imposed upon in the carrying out of its contracts with private parties for the furnishing of armor plate and other munitions of war. It may possibly be subject to a point of order as general legislation, but I am sure no Senator here will feel it to be his duty to invoke the rule against an amendment that will aid in securing honest work from Navy contractors. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 56, line 20, after the word "each," it is proposed to insert the following:

Any person who shall first inform of the cause, matter, or thing whereby any fine, penalty, or forfeiture shall be recovered from any person, firm, or corporation engaged in a combination or conspiracy to defraud the Government of the United States in the construction, or in the quality of any of the materials used, armor or armament of said battleships, or in any war material purchased by the Government of the United States, shall receive from any moneys in the Treasury of the United States not otherwise appropriated, a sum equal to 10 per cent of the amount of such fine, penalty, or forfeiture collected. The informer entitled to receive such payment shall be ascertained by the court which shall have imposed or decreed any such fine, penalty, or forfeiture.

Mr. GALLINGER. Mr. President, I do not rise to make a point of order against the amendment. I think the purpose of it is laudable; but I had supposed that the principle of moiety had been pretty well abandoned in this country. I will ask the Senator if that is not a fact?

Mr. LA FOLLETTE. I have drawn this amendment, Mr. President, upon several existing statutes. It is modeled after laws that are now on the statute books.

Mr. GALLINGER. I know that not long ago it was customary in our customs service to grant moiety for discovering smuggling, for instance; but the Government, I think, has entirely abandoned that policy, and I have an impression that of late years the practice has been not to encourage that sort of thing.

Mr. LA FOLLETTE. I have simply adapted the statute which is a part of the internal revenue law to this bill.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. SMITH of Georgia. I should like to hear it stated once more, with special reference to the informer feature. Of course, the amendment is open to objection. It goes out if anybody objects to it. I should like to catch the informer feature a little better.

The VICE PRESIDENT. The Secretary will again state the amendment.

The SECRETARY. On page 56, at the end of line 20, it is proposed to insert:

Any person who shall first inform of the cause, matter, or thing whereby any fine, penalty, or forfeiture shall be recovered from any person, firm, or corporation engaged in a combination or conspiracy to defraud the Government of the United States, in the construction, or in the quality of any of the materials used, armor or armament of said battleships, or in any war material purchased by the Government of the United States, shall receive from any moneys in the Treasury of the United States not otherwise appropriated, a sum equal to 10 per cent of the amount of such fine, penalty, or forfeiture collected. The informer entitled to receive such payment shall be ascertained by the court which shall have imposed or decreed any such fine, penalty, or forfeiture.

Mr. SMITH of Georgia. Is that the whole of it?

Mr. LA FOLLETTE. That is the whole of it.

Mr. WHITE. Mr. President, it occurs to me that that would be a very good amendment if the amount should be deducted from the fine or penalty; but the Government might be called on under this amendment to pay the amount whether the penalty was ever recovered or not.

Mr. LA FOLLETTE. The Senator is mistaken about that. It provides that it shall be deducted from the amount collected.

Mr. WHITE. I do not think so. I will ask for the reading of that part of the amendment.

The Secretary read as follows:

Shall receive from any moneys in the Treasury of the United States not otherwise appropriated, a sum equal to 10 per cent of the amount of such fine, penalty, or forfeiture collected.

Mr. LA FOLLETTE. The Senator will observe that it uses the word "collected."

Mr. WHITE. I did not catch the word "collected."

The VICE PRESIDENT. The question is on agreeing to the amendment. All in favor of the amendment will say "aye."

Mr. SMITH of Georgia. I make the point of order on the amendment that it is legislation on an appropriation bill.

Mr. LA FOLLETTE. I think the point of order comes too late.

The VICE PRESIDENT. A point of order, in the opinion of the Chair, can never come too late. The Chair will be compelled to sustain it.

Mr. GORE. Mr. President—

Mr. GALLINGER. Mr. President, if the Senator from Oklahoma will permit me, some time ago I made a point of order against an amendment offered by the Senator from Oklahoma. I desire now to withdraw the point of order and have the amendment again submitted.

Mr. GORE. I wish to express my appreciation to the Senator from New Hampshire. I ask that the amendment may be stated from the desk.

The VICE PRESIDENT. The Secretary will again state the amendment.

The SECRETARY. On page 26, line 24, after the semicolon and the numerals "\$100,000," it is proposed to insert:

For fuel-oil storage, at some point accessible to the oil fields of Texas and Oklahoma, to be determined by the Secretary of the Navy, \$150,000.

Mr. SMITH of Arizona. Mr. President, the amendment proposed by the Senator from Oklahoma stipulates that this point shall be accessible to the oil fields. How accessible does he propose to have it to the sea?

Mr. GORE. I will state that the location of the storage tanks or facilities is left discretionary with the Secretary of the Navy. They may be placed at Port Arthur, Tex., or Galveston, Tex., or Aransas Pass, or any of those points, or wherever, in the judgment of the Secretary, they would be most desirable.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LANE. I offer an amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 18, line 24, it is proposed to strike out all after the word "purchased"—

The VICE PRESIDENT. Does the Chair understand that the rest of the bill is to be stricken out?

Mr. LANE. No; all on that page.

The SECRETARY. It is proposed to strike out all on that page after the word "purchased" and to insert "except in case of emergency."

Mr. LANE. I think it would be a good idea if we struck out the rest of the bill, but I do not intend to have that done.

Mr. GALLINGER. How would it read if amended?

The SECRETARY. It is proposed to strike out the following words:

Unless the powder factory at Indianhead, Md., shall be operated on a basis of not less than its full maximum capacity.

And to insert:

Except in case of emergency.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. LEE of Maryland. Mr. President, I should like to suggest that this amendment is distinctly in contravention of the theory upon which the increase of \$500,000 for Indianhead was requested the other day, as suggested by the Secretary of the Navy. It was distinctly stated on this floor that the Secretary did not necessarily intend to use the plant to hammer private manufacturers unjustly; that it was in the interest of the Navy and of the war efficiency of the United States Government that the private factories should be encouraged to exist upon a reasonable basis; and that the addition to the Government plant was largely for the purpose of obtaining a fair price and of increasing the manufacture of powder in this country when an emergency should so demand.

The amendment just submitted is distinctly contrary to the whole theory of the other amendment and the arguments that were laid before the Senate in its favor.

Mr. WARREN. Mr. President, I do not know whether I understand the remarks of the Senator from Maryland, but the argument on the floor the other day, when this matter was under consideration, was that they wished \$500,000 to enlarge the powder factory so that they might have the power not to exclude the business of the Government from private enterprises entirely—they were disposed to patronize them—but they wanted this \$500,000 addition to the powder plant to use as a club to enforce low prices. I use the word "club" as it was



then used. The way this paragraph reads, there can be no club about it until after this factory is worked to its full capacity and more powder is then needed.

We will suppose, for instance, that you are building a factory for a club, and that you propose to allow certain contracts to be let to private parties. Let us see how this reads:

That in expenditures of this appropriation, or any part thereof, for powder, no powder shall at any time be purchased unless the powder factory at Indianhead, Md., shall be operated on a basis of not less than its full maximum capacity.

Mr. SWANSON. Mr. President, if the Senator will permit me, this is applicable alone to this appropriation. It can apply only to the appropriation in this bill.

Mr. WARREN. Very true; but this appropriation is for the next 12 months, and we are likely to need to buy powder within those 12 months.

Mr. SWANSON. The \$500,000 that is appropriated can not produce an increase in the capacity of the factory under 12 months.

Mr. WARREN. We do not know about that.

Mr. SWANSON. So this provision can not affect the powder that could be made by the increased appropriation of \$500,000. It would simply require the factory to be operated to its full capacity now, getting powder at 40 cents instead of paying 53 cents for it.

Mr. WARREN. Mr. President, I am so much a man of peace that if the Senate wants to tie its hands and the House wants to tie its hands and tie the hands of the Government so that it is impossible to buy any arms, any powder or ball or cannon until such time as you may have an immediate necessity for it and have no reserve and then find no one to buy from, because the foreign countries can not sell it to us because it is contraband, and our private works here that you have discontinued using at all or giving contracts to are turned over to the making of commercial powder exclusively, then I must, of course, be satisfied; but that is the direction in which you are legislating, and I think it a dangerous direction.

Mr. KENYON. Mr. President, I should like to ask the Senator from Wyoming whether this is a private factory or a Government factory?

Mr. WARREN. This is a Government factory.

Mr. KENYON. I was not clear as to that.

Mr. WARREN. It seems to me the Government, or those who are in command, say, the Secretary of the Navy and certainly the President of the United States, ought to have the privilege, in case of impending trouble, of buying powder beforehand and storing it and having it on hand when necessary. That would be impossible under this amendment.

Mr. SWANSON. Not at all. Under the provisions of this bill we can not buy powder except in excess of what we can make ourselves.

Mr. WARREN. Yes.

Mr. SWANSON. If we need more powder than we can make ourselves, we buy it. This provision is simply to compel the Government to operate the factory at Indianhead to its full capacity, and we can not use this money to buy powder except such as it can not manufacture.

Mr. WARREN. Yes; but the Senator is laboring under the impression that the buying of arms and powder could be calculated beforehand upon the regular consumption of various departments, we will say; whereas, as a matter of fact, we are at all times in some liability of war, and it would seem as if we are to be more so just now and during the coming year than usual; and this provision absolutely forbids any surplus. If it should seem necessary, there can be nothing bought.

Mr. SWANSON. Oh, if the Senator will permit me, this bill provides for the purchase of 4,000,000 pounds of powder, roughly 3,810,000 pounds. Under the present operation of the Indianhead factory about half of it is made by the Government and half of it is purchased from the Du Pont Powder Co. This provision, which has been carried in the bill, requires the Government to run its Indianhead factory to the full capacity, making the 2,000,000 pounds. It makes it at 40 cent; a pound, and for the powder we buy we have to pay 53 cents. It saves 13 cents on every pound of powder. Instead of leaving it to the discretion of the people in the department to run it or not to run it, and to pay 13 cents a pound more than is necessary for powder, Congress has seen fit to say that we shall use this money to make all the powder we can there, which at present is 2,000,000 pounds a year. We do not leave it discretionary with anyone to determine whether we shall buy powder at 53 cents when we can make it at 40 cents.

Mr. WARREN. There is no objection to that. The point I make is that under this legislation and what it implies you can only buy powder after you have an immediate necessity for use

over and above what this provides for. In other words, you can make no storage, and in war immense quantities are required and on short notice, and great quantities can not be procured on short notice, but must be provided for long beforehand or the battle is lost.

Mr. SWANSON. This provision simply says that if you want to buy some powder to-morrow you can not buy any more than you need, less what the factory at Indianhead can make to-morrow.

Mr. OLIVER. Mr. President, I should like to have the paragraph read as it will read if the amendment of the Senator from Oregon is agreed to.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

Purchase and manufacture of smokeless powder, \$1,150,000: *Provided*, That no part of any money appropriated by this act shall be expended for the purchase of powder other than small-arms powder at a price in excess of 53 cents a pound: *Provided further*, That in expenditures of this appropriation, or any part thereof, for powder no powder shall at any time be purchased except in case of emergency.

Mr. OLIVER. Mr. President, it seems to me that would absolutely shut out the department from the purchase of any powder at all until an emergency arose under which it would be required. I think it is a very unwise amendment and that the paragraph had better remain as it came from the House.

Mr. SWANSON. I fully agree with the Senator from Pennsylvania. If the amendment offered by the Senator from Oregon prevails, it will make it impossible for us to buy next year about 2,000,000 pounds of powder until the new factory has been completed. It will make it impossible even to furnish ammunition for the battleships that we commission next year. It seems to me the provision we have at present in the bill is a sufficient protection to the Government.

Mr. WARREN. I think it is more than sufficient.

Mr. SWANSON. It is ample. The difficulty with the amendment offered by the Senator from Oregon is that if that prevails, next year, when we commission a battleship and desire to equip it with ammunition, we will not be able to do so, because no emergency will exist.

Mr. LANE. Mr. President, I think that is arguing on the assumption that everybody connected with the Government has lost his wits. If the Government officials are building a battleship, and have enough intelligence to construct it, they ought to be wise enough to provide powder for it when it is completed. If they have not, then an emergency will exist, and they can go and buy it. That is ample to cover it.

Mr. SWANSON. Mr. President, if the Senator will permit me, the maximum capacity of the factory at Indianhead is 2,000,000 pounds a year. It might run to two millions and a half. We use about four millions; and this amendment would really prohibit the Government from getting enough powder to equip a battleship.

Mr. LANE. It does not limit it in any way. It allows the Government to go on and produce all the powder it can, and compels it to do so, instead of buying it at private sale. That is my test. Then, if an emergency exists, the Government can go and buy powder, but only in case of emergency. It is designed to put the Government factories to work.

Mr. SMITH of Georgia. Mr. President, I think we all know that the policy of the present Secretary of the Navy is, as far as possible, to construct what is needed for the Navy in Government yards. I am sure of that.

I wish to say here that in voting a day or two ago against the provision which requires one battleship to be built in our own navy yards I did so solely because I was sure the Secretary of the Navy would build both of them in our navy yards if he could. If I had had any doubt about his doing so, I would have voted to require him to build one of them there. I am not sure that I did not make a mistake in not voting that way, because we might have a Secretary of the Navy later on who would not be disposed to build in our own yards, and I think he ought to do so. I hope we shall build both of our battleships in the near future in our own yards. I think they ought to be built in that way, and I think we ought to make all of our powder that we can.

Mr. LANE. I am willing to concede that the present Secretary of the Navy is an able man, a good man, and also the handsomest Secretary of the Navy we have ever had, but he might die, and I want to fix this law so that in case any accident happened to him we could go on with the work.

Mr. SWANSON. The provision now in the bill directs that the powder factory at Indianhead shall be run to its full capacity. They have there now three shifts of hands, each working eight hours a day all the time, making every ounce of powder they can. If the amendment of the Senator from



Oregon prevails, we can not buy 2,000,000 pounds of powder a year out of this appropriation unless an emergency should arise.

Now, how do we determine what is an emergency? An emergency does not mean lack of powder to equip some battleships. It means war, or something of the kind. These battleships are armed as soon as they are commissioned. The ammunition is put in them, and we do not wait until they are engaged in a conflict or something of the kind. This would simply preclude equipping a battleship when it went into commission.

The bill at present provides that we can not buy any powder unless the Government powder factory is run to its full capacity, which means three shifts a day, which are being run now. The effect of it would be simply to cause a delay in commissioning these ships until the completion of the enlarged powder mill at Indianhead, which I favored, and voted to appropriate \$500,000 to construct.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Oregon [Mr. LANE].

The amendment was rejected.

The bill was reported to the Senate as amended and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. GALLINGER. Mr. President, in former bills there has, as a rule, been an equitable distribution of the appropriations for the several navy yards of the country. I will take but a moment in calling attention to what I think is an inequitable distribution in this bill.

When the bill came from the House there was an appropriation for the Boston yard of \$22,000 and a provision to appropriate an unobligated balance of \$148,000, making \$170,000.

The navy yard at New York was allowed \$122,000. This was increased by an amendment to \$143,500, with an additional authorization of \$85,000.

For the navy yard at Philadelphia, as the bill came from the House, there was \$65,000 appropriated, which by an amendment has been increased to \$265,000.

The navy yard at Washington, D. C., had no appropriation and by an amendment it is granted \$100,000.

The navy yard at Norfolk, Va., had \$450,000, which has been increased \$200,000, with an added authorization of \$2,800,000.

The navy yard at Charleston, S. C., was granted \$170,000, which, to my surprise, has not been increased.

The navy yard at Mare Island, Cal., was granted by the House \$207,000, which was increased to \$257,000, with an added authorization of \$50,000.

The navy yard at Puget Sound, Wash., had \$155,000 as it came from the House.

The naval station at Key West, Fla., had no appropriation in the bill as it passed the House, but it gets \$100,000, with an authorization of \$500,000 more.

Mr. President, for some reason or other the navy yard at Portsmouth, N. H., got lost in the consideration of both the Secretary of the Navy and the Committee on Naval Affairs. Turning to page 39, I do find that the amount of \$10,000 is given to that yard for repairs and improvement of machinery and implements.

Mr. President, I am not going to find any particular fault with this matter. It is settled. The bill will pass. I shall not obstruct it. But I can not help expressing regret that in a moment of mental aberration and for the purpose of doing a pleasant thing I voluntarily retired from the Committee on Naval Affairs, and as a result I fear that the appropriations for the navy yard in my State have suffered.

I simply desire now to suggest that before another naval appropriation bill appears in the Senate I shall try to cultivate the acquaintance of the Secretary of the Navy and to get on the blind side of the Committee on Naval Affairs of the Senate, in the hope that the Portsmouth Navy Yard may not be entirely forgotten in the future.

Mr. WARREN. Mr. President, I have one suggestion to make. I am rather pleased to see that in the bill \$100,000 and over has been provided for the entertainment of visiting naval officers and forces.

We have tried repeatedly heretofore to obtain some relief in Army bills. We have been modest enough to ask sometimes for only \$5,000 or \$10,000, so that the military representatives from foreign countries could receive some attention or entertainment when visiting this country, and that we should not have to choose between the two extremities of either utterly ignoring such visitors when every other country in Christendom provides for their receiving attention or else we must exact from

the general officers and others who happen to be at the post where they may visit that such officers must raise money enough of their own in some way from their salaries or from loans—and they oftentimes run in debt quite largely to obtain the funds with which to entertain—to do for the visiting brethren what other Governments do and what the United States now proposes to do for its naval visitors.

I hope we may hear from the Secretary of War, if he has not already made some estimate, so that in some bill which follows this there may be an appropriation subject to the Secretary of War the same as this is subject to the Secretary of the Navy to enable us to entertain the few foreign army officials who may come to this country under the orders of foreign Governments.

The VICE PRESIDENT. The question is, Shall the bill pass? The bill was passed.

Mr. THORNTON. I move that the Senate request a conference with the House of Representatives on the bill and amendments, and that the Chair appoint the conferees on the part of the Senate.

Mr. WARREN. Mr. President, I have no personal objection to the motion of the Senator from Louisiana [Mr. THORNTON], but I call his attention to the fact that it is unusual, and we ought to send the bill to the other House and have it ask for a conference. Then in the usual course it gives the papers to the Senate, and they can report the results of conference first.

I notice in the debate in the House a few days since a great deal of fault was found with the Senate Committee on Agriculture because we sent the Agricultural appropriation bill over with a request for a conference without giving the House the opportunity of first agreeing or disagreeing, and, if disagreeing, for the House to ask for conference.

My objection to the motion is that it is unusual, and I think it puts the Senate at a disadvantage. The bill with the amendments of the Senate ought to first go to the House, as has been the rule and practice since time immemorial with only very few exceptions, and those of late. Sometimes the House concurs in all the amendments to a bill and then no conference becomes necessary. The House will hardly do it now, perhaps, but we ought not to change the rule and practice.

Mr. THORNTON. My object is to get through with this business as quickly as possible, and therefore I insist on my motion.

The motion was not agreed to.

#### EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 12 minutes p. m.) the Senate adjourned until to-morrow, June 3, 1914, at 11 o'clock a. m.

#### NOMINATIONS.

*Executive nominations received by the Senate June 2, 1914.*

##### ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY.

Boaz W. Long, of New Mexico, now Chief of the Division of Latin-American Affairs, Department of State, to be envoy extraordinary and minister plenipotentiary of the United States of America to Salvador, vice William Heimke, appointed Chief of the Division of Latin-American Affairs, Department of State.

##### PROMOTIONS IN THE ARMY.

##### COAST ARTILLERY CORPS.

Capt. Laurence C. Brown, Coast Artillery Corps, to be major from May 27, 1914, vice Maj. Edward J. Timberlake, detailed in the Quartermaster Corps on that date.

First Lieut. Walter Singles, Coast Artillery Corps, to be captain from May 27, 1914, vice Capt. Laurence C. Brown, promoted.

Second Lieut. Edward L. Dyer, Coast Artillery Corps, to be first lieutenant from May 27, 1914, vice First Lieut. Walter Singles, promoted.

##### APPOINTMENTS IN THE ARMY.

##### MEDICAL RESERVE CORPS.

*To be first lieutenants with rank from May 29, 1914.*

George Schuyler Bangert, of New Jersey.

Arthur William Charles Bergfeld, of Texas.

Joseph Bidleman Bissell, of New York.

Swithin Chandler, of Pennsylvania.

Leo Eloesser, of California.

Erie Franklin Fisher, of Illinois.



Leonard Davis Frescoln, of Pennsylvania.  
Oscar Amadeus Hansen, of Illinois.  
John Everett Hewitt, of Kansas.  
Allen Jones Jervy, of South Carolina.  
Homer Hill Lewis, of Pennsylvania.  
William Hay McLain, of West Virginia.  
Robert Daniel Maddox, of Ohio.  
Irwin Beede March, of California.  
Harry Stoll Mustard, of South Carolina.  
John Henry Wallace Rhein, of Pennsylvania.  
Michael Joseph Sheahan, of Connecticut.  
William Atmar Smith, of South Carolina.  
James Evans Stowers, of Maryland.  
Julius Frederick Zenneck, of New Jersey.

## POSTMASTERS.

## IDAHO.

Joseph F. Whelan to be postmaster at Wallace, Idaho, in place of John Joseph Presley.

## INDIANA.

William W. Drake to be postmaster at Greenwood, Ind., in place of John H. Van Dyke. Incumbent's commission expires June 10, 1914.

Charles A. Steele to be postmaster at Rising Sun, Ind., in place of Hugh S. Espey.

## ILLINOIS.

George Taylor to be postmaster at Evanston, Ill., in place of John A. Childs. Incumbent's commission expired April 15, 1914.

## KANSAS.

Uriah C. Herr to be postmaster at Medicine Lodge, Kans., in place of Luther M. Axline. Incumbent's commission expired May 31, 1914.

John B. Kay to be postmaster at St. John, Kans., in place of Herbert J. Cornwell. Incumbent's commission expired May 31, 1914.

George E. H. Six to be postmaster at Lyons, Kans., in place of William M. Jones. Incumbent's commission expires June 14, 1914.

## KENTUCKY.

John J. Berry to be postmaster at Paducah, Ky., in place of Frank M. Fisher. Incumbent's commission expired May 18, 1914.

## MARYLAND.

Edward A. Rodey to be postmaster at Ellicott City, Md., in place of Clarence H. Oldfield.

## NEW JERSEY.

Emery Benoit to be postmaster at Edgewater, N. J., in place of John J. McGarry. Incumbent's commission expired May 31, 1914.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate June 2, 1914.*

## PROMOTIONS AND APPOINTMENTS IN THE NAVY.

The following-named assistant surgeons in the Navy to be passed assistant surgeons:

James G. Omelvena.

Jasper V. Howard.

Lester L. Pratt.

Clarence C. Kress.

Eueidas K. Scott to be an assistant surgeon in the Medical Reserve Corps.

Richard C. Reed to be an assistant paymaster.

Asst. Naval Constructor Paul H. Fretz to be a naval constructor.

John J. Brady to be a chaplain.

## POSTMASTERS.

## NORTH CAROLINA.

S. W. Smith, Wilson.

## PENNSYLVANIA.

Cornelius P. Reing, Mahanoy City.

## WITHDRAWAL.

*Executive nomination withdrawn June 2, 1914.*

Harry O. De Vries to be postmaster at Ellicott City, in the State of Maryland.

## HOUSE OF REPRESENTATIVES.

TUESDAY, June 2, 1914.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Eternal and ever living God, our heavenly Father, we thank Thee that the way is always open for larger life and greater usefulness for those who will enter in and avail themselves of the opportunities which wait on the faithful. May it be ours to do of Thy good pleasure, following ever in the wake of Him who "increased in wisdom and stature and in favor with God and man," till we all come unto the measure of the stature of the fullness of Christ, passing from glory unto glory, and Thine be the praise forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

## ANTITRUST LEGISLATION.

The SPEAKER. The House automatically resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15657 and other bills embraced within the special order, and the gentleman from Tennessee [Mr. HULL] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15657 and other bills embraced within the special rule, with Mr. HULL in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15657 and other bills embraced in the special order of the House. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. WEBB. Mr. Chairman, when we adjourned on yesterday evening we had finished reading section 18, and it is now open to amendment, as I understand, and I desire to send forward the following amendment, which is a committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

At the end of section 18, line 23, on page 36, strike out the period and insert a semicolon and add "nor shall any of the acts specified in this paragraph be considered or held unlawful."

Mr. MANN. Will the gentleman explain this?

Mr. WEBB. Yes, sir. If you will notice section 18, it says that in labor disputes no injunction shall be issued restraining a person from ceasing to work, commonly known as striking; no injunction shall be issued against a person for advising or persuading others to quit work—that is, to strike; no injunction shall be issued against a person or persons prohibiting them from assembling peacefully together at a place they may select; no injunction may issue against a person forbidding him to cease to patronize a party to the dispute; no injunction shall be issued against a person or persons or labor organizations forbidding them to pay strike benefits or withhold strike benefits.

Mr. VOLSTEAD. Would not this also legalize the secondary boycott? I want to call the gentleman's attention to lines 16 and 17, on page 36.

Mr. WEBB. Mr. Chairman, I do not think it legalizes a secondary boycott.

Mr. VOLSTEAD. Let me read the lines, if the gentleman will permit. And no such restraining order or injunction shall prohibit anyone—

From ceasing to patronize those who employ any party to such dispute, or from recommending, advising, or persuading others by peaceful means so to do.

Now, does not the word "others" in that instance refer to others than parties to the dispute?

Mr. WEBB. No; because it says in line 15:

From ceasing to patronize or employ any parties to such dispute.

Mr. VOLSTEAD. Can the gentleman suggest as to what the word "others" refers to if it does not refer to others and parties to the dispute? Can there be any doubt this is intended or does, in fact, legalize the secondary boycott?

Mr. WEBB. I will say frankly to my friend when this section was drawn it was drawn with the careful purpose not to legalize the secondary boycott, and we do not think it does. There may be a difference of opinion about it, but it is the opinion of the committee that it does not legalize the secondary boycott and is not intended to do so. It does legalize the primary boycott; it does legalize the strike; it does legalize persuading others to strike, to quit work, and the other acts mentioned in